



October 28, 2020

Ms. Laura Rich
Executive Director
State of Nevada
Public Employees' Benefits Program
901 S. Stewart Street, Suite 1001
Carson City, NV 89701

Subject: Final Compliance Review Report for PEBP Plan Year 2020

Dear Laura,

Enclosed please find our final compliance review report for PEBP Plan Year 2020. Please do not hesitate to contact me if you would like to discuss any aspect of the report.

Sincerely,

Aon Consulting, Inc.

A handwritten signature in black ink, appearing to read "Rachel Arnedt". The signature is fluid and cursive.

Rachel Arnedt

Enclosure
By UPS
cc: Ms. Stephanie Messier, Aon

Public Employees' Benefits Program

Biennial Compliance Review

Review Period July 2019-June 2020 ("PY 2020")

FINAL REPORT

November 2, 2020

Report Contents

- [SECTION A](#) Introduction
- [SECTION B](#) Executive Summary
- [SECTION C](#) Facts and Assumptions
- [SECTION D](#) Documents Reviewed
- [SECTION E](#) Summary of Findings—Federal Law Requirements
- [SECTION F](#) Summary of Findings—State Law Requirements

SECTION A: INTRODUCTION

This compliance review is being undertaken pursuant to Nevada Revised Statute (“NRS”) 287.025(2)(b), which requires a biennial review of the Public Employees’ Benefits Program (“PEBP”) to determine whether the PEBP complies with federal and state laws relating to taxes and employee benefits. Accordingly, Aon performed a review of certain plan documents and administration processes provided by PEBP to verify that procedures have been implemented to enable PEBP to comply with applicable federal and state laws.

Our compliance review is based on documents received, statutes, and regulations as existing and in effect for PEBP’s July 1, 2019—June 30, 2020 plan year (“PY 2020”), unless otherwise noted (“Review Period”). We requested from PEBP staff members certain documents and answers to specific questions relevant to PEBP during the Review Period. As noted in the Work Order Request (“Work Order”), our transactional review was specifically limited to targeted questions on administration of changes in status, special enrollment periods, and issuance of applicable COBRA notices. We did not attempt to verify actual administration of PEBP through sampling techniques, discussions with third party vendors/administrators, or otherwise. In addition, we did not perform any claim audits related to PEBP, or consider issues related to payroll practices, workers’ compensation, unemployment compensation, classification of employees, or other non-benefits-related aspects of any federal or state law.

This Report outlines the results of Aon’s review and summarizes our findings and recommendations to address certain document compliance issues that we have identified as a result of our compliance review. Any consulting advice we provide is intended to assist PEBP in determining how best to comply with applicable requirements relating to PEBP’s compliance with federal and state laws. Nevertheless, Aon does not engage in the practice of law, and the consulting advice we provide is not, and is not intended to be, legal advice. Accordingly, this Report should be reviewed with PEBP’s legal counsel.

Although we identified certain compliance issues relating to PEBP, our Report should not be relied upon to identify all possible weaknesses in internal controls, errors, irregularities, or illegal acts, or to identify all possible violations of the NRS, Nevada Administrative Code (“NAC”), the Internal Revenue Code (the “Code”), Public Health Service Act (“PHSA”), the Employee Retirement Income Security Act of 1974 as amended (“ERISA”) (in relevant part as made applicable through the PHSA), Internal Revenue Service (“IRS”), regulations, or other technical pronouncements as we did not perform a transactional operational compliance review of PEBP. We interpreted compliance requirements in a manner we believe to be reasonable. However, we cannot guarantee that government agencies, courts, or participants will agree with our interpretation, or that PEBP would be in compliance with all applicable laws, regulations, rules, or other governmental pronouncements if PEBP implemented all of our recommendations.

We would be pleased to discuss this Report and our recommendations with you in further detail. If you have any questions, please contact Rachel Arnedt at 203.584.2913.

SECTION B: EXECUTIVE SUMMARY

Overall, PEBP has done an excellent job in ensuring that its documents and procedures comply with applicable federal and state laws.

However, as is typical with reviews of this magnitude, we did note a few areas that could be enhanced to better meet federal and/or state law requirements. The following summarizes our significant findings. Please refer to Sections E and F for a detailed description of the findings and required courses of action.

Federal Law Issues—Current

Medicare Secondary Payer

- PEBP terminates retiree eligibility for its active plans when retirees reach Medicare eligible age and requires Medicare eligible retirees to enroll in the Medicare HRA plan. Medicare Secondary Payer rules prohibit *active* plans from basing plan eligibility on Medicare eligibility. PEBP will remedy this by creating a mirror plan and documentation for early retirees only.

Required Notices in General

- PEBP has switched to the PY 2020 Benefit Guide and that Guide doesn't have as many notices in it as were available in prior years. PEBP mails the Benefit Guide to new hires and retirees at initial enrollment. It is unclear how widely its notices are being distributed compared to prior years.

Electronic Disclosure of Important Notices to Spouses, Other Beneficiaries, and Employees without Routine Computer Access at Work

- PEBP should continue to work toward a system change that will allow it to get written consent to receive electronic notices from retirees and others without work access, as well as keep multiple addresses on file (e.g., COBRA, where spouse has different address from employee) to send separate notices to them when needed.

Federal Law—Future Considerations

Patient Protection and Affordable Care Act of 2010 (“PPACA”)

- PEBP should continue monitoring the status of PPACA provisions and lawsuits pertaining to PPACA to determine whether any changes (e.g., repeal or replacement provisions) become effective that would necessitate changes to PEBP's plans. In particular, PEBP should monitor the Supreme Court case (arguments for which will be held in mid-November 2020) regarding the constitutionality of the ACA.
- Employer reporting of health insurance information to government and participants on Forms 1094-C and 1095-C continues; monitor for any changes in requirements.
- PEBP should continue monitoring of changes to HHS/Health Resources and Services Administration (“HRSA”) preventive task force guidelines and make respective plan changes from time to time.
- If PEBP determines it is still a covered entity under the revised definition, PEBP should continue monitoring for additional Section 1557 nondiscrimination guidance given the litigation regarding the recent final regulations and make respective plan changes from time to time.
- PEBP should develop necessary forms and procedures to comply with PPACA quality of care reports (requirement delayed).

SECTION B: EXECUTIVE SUMMARY (CONT'D)

- PEBP should monitor, perform testing, develop a strategy, and make any necessary plan design changes needed to comply with insured nondiscrimination testing (guidance still pending and not in effect).

State Law Issues

None.

SECTION C: FACTS AND ASSUMPTIONS

The following facts and assumptions were relied upon in performing our review and preparing this Report:

All documents and data received (see Section D), as well as any information conveyed to us orally, are accurate and were in effect during the Review Period.

Generally, the PEBP-sponsored health and welfare benefit plans that are subject to this review are those reflected in the Master Plan Documents and the FSA SPD:

- Self-funded PEBP Consumer Driven Health Plan
- Self-funded Prescription Drug Benefits
- Self-funded PEBP PPO Dental Plan
- Health Care Flexible Spending Account
- Dependent Care Flexible Spending Account

To the extent that the Federal and/or State of Nevada laws noted in the bullet points below are applicable, the following PEBP health and welfare benefit plans were also included:

- Life Insurance Plan
- Long-Term Disability Plan
- Voluntary elective products/benefits offered under PEBP (Flex Plan, Long-Term Care, Short-Term Disability, and Supplemental Life Insurance)

PEBP is not involved in the administration of the Employee Assistance Program (EAP); therefore, any analysis related to the EAP is outside the scope of this Report.

There were also documents that were provided during our previous review(s) that were still effective during this Review Period. To the extent that applicable statutes had not been subsequently amended, we relied on our prior findings for our current review, assuming they would be still applicable.

The PEBP health and welfare benefit plans listed above were reviewed for compliance with the following federal laws:

- Americans with Disability Act of 1990 and the Americans with Disability Act Amendments Act of 2008 (together “ADA”)
- Age Discrimination in Employment Act of 1967 (“ADEA”)
- Children’s Health Insurance Program Reconciliation Act of 2009 (“CHIPRA”)
- COBRA (as made applicable through Section 300bb of the Public Health Service Act)
- Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”)
- Executive Order 11246 (re: nondiscrimination on the basis of sex)
- Family and Medical Leave Act of 1993 (“FMLA”)
- Families First Coronavirus Response Act (“FFCRA”)
- Genetic Information Nondiscrimination Act of 2008 (“GINA”)
- Gulf Opportunity Zone Act of 2005 (“GO”)
- Heroes Earnings Assistance and Relief Tax Act of 2008 (“HEART”)

SECTION C: FACTS AND ASSUMPTIONS (CONT'D)

- Health Insurance Portability and Accountability Act of 1996 (“HIPAA”) benefit provisions for HIPAA privacy and data security provisions, including HITECH (note that our review did not include a review for compliance with HIPAA’s Electronic Data Interchange (“EDI”) regulations)
- Medicare Secondary Payer (“MSP”) requirements
- The Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (“Medicare Part D Requirements”)
- Mental Health Parity Act (“MHPA”) and Paul Wellstone and Pete Domenici Mental Health Parity and Addiction Equity Act of 2008 (“MHPAEA”)
- Michelle’s Law of 2008
- National Defense Authorization Act of 2008 (“NDAA”)
- Newborns’ and Mothers’ Protection Act of 1996 (“NMHPA”)
- Patient Protection and Affordable Care Act of 2010 (“PPACA”)
- Pregnancy Discrimination Act (“PDA”)
- QMCSOs
- Rehabilitation Act of 1973
- Social Security Act Health Insurance (“Medicare”), including Medicare Part D
- Title VII of the Civil Rights Act of 1964
- Uniformed Services Employment and Reemployment Rights Act of 1964 (“USERRA”)
- Women’s Health & Cancer Rights Act of 1998 (“WHCRA”)
- Code Section 125 Cafeteria Plan rules

SECTION C: FACTS AND ASSUMPTIONS (CONT'D)

The PEBP health and welfare plans listed above were reviewed for document compliance with the certain Nevada state law requirements in the following areas. This listing reflects the impact of several new and revised pieces of legislation subsequent to our previous review that may have impacted PEBP benefits and administration:

- Eligibility and Participation
 - NAC 287.035, 287.085, 287.095, 287.100, 287.135, 287.150, 287.310, 287.3105, 287.311, 287.312, 287.3105, 287.3125, 287.313, 287.314, 287.317, 287.318, 287.319, 287.320, 287.355, 287.357, 287.359, 287.361, 287.363, 287.365, 287.367, 287.368, 287.369, 287.371, 287.373, 287.375, 287.376, 287.379, 287.381, 287.383, 287.385, 287.386, 287.387, 287.389, 287.400, 287.510, 287.515, 287.520, 287.530
 - NRS 287.010, 287.020, 287.021, 287.025, 287.040, 287.045, 287.0467, 287.0475, 287.0477, 287.0479, 689B.033
- Retirees
 - NAC 287.530, 287.540, 287.542, 287.544, 287.546, 287.548
 - NRS 287.0205, 287.023, 287.024, 287.0406, 287.0436, 287.043, 287.046, 287.047, 287.0475
- Benefit Coverage
 - NAC 287.100
 - NRS 287.010, 287.0205, 287.027, 287.0272, 287.0274, 287.0276, 287.0278, 287.040, 287.04062, 287.0433, 287.04335, 287.0467, 287.0485, 287.287, 689A.0447, 683A.0879, 683A.330, 689A.417, 689B.0306, 689B.0362, 689B.069, 689B.255, 689B.275, 689B.330, 689B.283, 689B.287, 689B.0362, 689B.425, 689B.500, 689B.550, 689C.159, 689C.190, 689C.193, 689C.198, 689C.220, 689C.425, 689C.17335, 695A.188, 695B.193, 695B.2505, 695B.2555, 695C.050, 695C.173, 695C.185, 695C.207, 695C.330, 695G.150, 695G.160, 695G.162, 695G.164, 695G.1645, 695G.1665, 695G.167, 695G.170-695G.172, 695G.173, 695G.177, and 695G.405
- Premium and Funding
 - NAC 287.420-287.490, 287.760-287.792
 - NRS 287.015, 287.017, 287.043, 287.0434, 287.0435, 287.0436, 287.04362, 287.04364, 287.04385, 287.0439, 287.044, 287.0445, 287.046
- Subrogation (NRS 287.0465) (as amended)
- Orientation Program (NAC 287.314 and 287.317)
- Agency Participation and Administration
 - NAC 287.310, 287.320, and 287.355-287.389
 - NRS 287.010 and 287.020
- Board Authority and Duties
 - NAC 287.170-287.196
 - NRS 287.0402, 287.04062, 287.041, 287.0415, 287.0424, 287.0426, 287.043, 287.04335, 287.0434, 287.04366, and 287.0487
- Executive Branch Reporting Requirements (NRS 287.0425)
- Claims and Appeals Procedures

SECTION C: FACTS AND ASSUMPTIONS (CONT'D)

- NAC 287.610-287.695 and 287.750
- NRS 287.043, 287.04335, 689B.255, 695G.200, 695G.210, 695G.220, 695G.230, 695G.241-695G.300, and 695G.310
- Notice Requirements (NRS 695G.210 and 695G.230)
- Family and Medical Leave (NAC 284.52315, 284.5237, 284.52345, 284.581, 284.5811, and 284.5813)
- Leave of Absence for Military Duty (NAC 281.145, and 284.5875; NRS 284.359)
- Audit Requirements (NRS 287.0425 (1)(a), (b))

SECTION D: DOCUMENTS REVIEWED

In performing our review of the PEBP health and welfare plans, we reviewed the following documents during this review period:

- PEBP to Aon Work Order Request (2020)
- Plan Documents:
 - PEBP Master Plan Document (“MPD”) for Enrollment and Eligibility: Plan Year (“PY”) 2020
 - PEBP MPD for the Consumer Driven Health Plan for Medical, Vision and Prescription Drug Benefits and Summary of Benefits for Health Savings Account, Health Reimbursement Account PY 2020
 - PEBP MPD for the Self-Funded PEBP PPO Dental Plan and Summary of Benefits for Life and Long-Term Disability Insurance PY 2020
 - Qualifying Life Event Guide (April 2019)
 - PEBP Section 125 Health and Welfare Benefits Plan Document PY 2020
- Plan Summaries
 - PEBP Plan Year 2020 Benefit Guide
 - PEBP CDHP SBC (Individual) PY 2020
 - PEBP CDHP SBC (Family) PY 2020
 - PEBP CDHP Glossary of Health Coverage and Medical Terms
 - Medicare Exchange Health Reimbursement Arrangement Summary PY 2020
 - HealthSCOPE Flexible Spending Accounts (“FSA”), Health Care (Medical) FSA, Dependent Care FSA, Limited Purpose/Scope FSA Summary Plan Description and Employee Enrollment PY 2020
 - HSA/HRA Supplemental Funding FAQs PY 2020
 - PEBP Health Plan Comparison PY 2020
- PEBP Consumer Driven Health Plan Documents
- HealthSCOPE Documents:
 - Benefits Subrogation Letters

SECTION D: DOCUMENTS REVIEWED (CONT'D)

- State of Nevada/PEBP Handbooks and Manuals
 - State of Nevada Employee Handbook (Revised 1/18/2018)
 - State of NV State Administrative Manual (Revised 11/2018)
- Enrollment Materials
 - Plan Year 2020 Benefit Guide
 - Plan Year 2020 Medicare Guide
 - Enrollment & Eligibility MPD PY 2020
 - Certification of Disabled Dependent Child (PY 2020)
 - Legal Guardianship Certification (8/2019)
- COBRA-Related Documents:
 - Initial COBRA Notice (Revised 8/2020)
 - COBRA Address Notification Form (Revised 10/2013)
 - Sample COBRA Election Notice (Dated 11/17/16)
 - COBRA Confirmation of Enrollment (Dated 11/18/16)
 - COBRA Premium Notice – Past Due (undated)
 - COBRA Termination Notices (Dated 10/31/16)
 - COBRA Rates PY 2020
- Other Notices:
 - Qualified Medical Child Support Order Notification
 - Notification of Retiree Turning 65
 - FMLA Notice
 - Marketplace Notice – Eligible Employees
 - Marketplace Notice – Ineligible Employees
 - PEBP CDHP Medicare Part D Notice Actives PY 2020
 - PEBP CDHP Medicare Part D Notice Retirees PY 2020
 - USERRA/Military Leave Related Notices

SECTION D: DOCUMENTS REVIEWED (CONT'D)

- Newborn and Mother's Health Protection Act Notice
- Women's Health and Cancer Rights Act
- SBC Availability Notice
- CHIP Notice
- Section 1557 Nondiscrimination Notice
- Local Government Entity Application Instructions for Coverage under Public Employees' Benefits Program (Health Insurance) (Revised 6/2016)
- PEBP Policies and Procedures
 - Accounting Unit
 - Appeals and Complaints Policies and Procedures (3/19/2018)
 - Privacy Policies and Procedures (7/1/2016)
 - Non-State Agency Application Procedures (last updated in 2001)
 - Local Government Entity Application (dated 6/2016)
- HIPAA Privacy and Security-Related Documents:
 - PEBP Master Plan Document for the HIPAA Privacy and Security Requirements for PEBP Health Benefits PY 2018
 - HIPAA Privacy Notice (Effective July 1, 2015)
 - Privacy & Security of Protected & Personal Health Information (PHI) (Originated 9/17/2003, Last Updated 7/1/2016), including Attachments A through F
 - HIPAA Privacy and Data Security Training: PEBP Board and Staff (August 2017)
 - Template Business Associate Agreement
 - Current Business Associate Agreements with:
 - Casey, Neilon and Associates LLC (Effective March 26, 2013)
 - Express Scripts, Inc. ("Upon BOE Approval")
 - Health Claim Auditors, Inc. (Effective July 1, 2016)
 - HealthSCOPE Benefits, Inc. (Effective July 1, 2016)
 - Hometown Health Providers ("Upon BOE Approval")
 - Morneau Shepell (Effective July 1, 2016)

SECTION D: DOCUMENTS REVIEWED (CONT'D)

- Towers Watson / Delaware Inc. (Effective July 1, 2018)
- PY20 Rates – Effective 7/1/2019
- PEBP Board Action Minutes
 - January 24, 2019
 - March 7, 2019
 - March 28, 2019
 - April 29, 2019
 - May 23, 2019
 - July 25, 2019
 - September 26, 2019
 - November 21, 2019
 - December 20, 2019
 - January 23, 2020
 - March 3, 2020
 - March 31, 2020
 - April 9, 2020
 - April 27, 2020
 - May 28, 2020
- PEBP Board and Agency Duties, Policies and Procedures (9/2019 (draft))

SECTION E: SUMMARY OF FINDINGS—FEDERAL LAW REQUIREMENTS

TABLE OF CONTENTS

	Page E-
Americans with Disabilities Act of 1990, as amended (“ADA”)	3
Age Discrimination in Employment Act of 1967	3
Children’s Health Insurance Program Reconciliation Act of 2009 (“CHIPRA”)	3
Consolidated Omnibus Budget Reconciliation Act of 1985 (“COBRA”)	4
COBRA (cont’d).....	5
COBRA (cont’d).....	6
Executive Order 11246.....	6
Family and Medical Leave Act of 1993 (“FMLA”).....	6
Families First Coronavirus Response Act (“FFCRA”), as amended by the Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”) and IRS Notices 2020-29 & 2020-30	7
Genetic Information Nondiscrimination Act of 2008 (“GINA”)	7
Gulf Opportunity Zone Act of 2005 (“GO Act”).....	7
Heroes Earnings Assistance and Relief Tax Act of 2008 (“HEART”).....	7
HIPAA Benefit Provisions	8
HIPAA Privacy and Data Security Provisions	8
HIPAA Privacy and Data Security Provisions (cont’d)	9
HIPAA Privacy and Data Security Provisions (cont’d)	10
HIPAA Privacy and Data Security Provisions (cont’d)	11
HIPAA Privacy and Data Security Provisions (cont’d)	12
Code Section 125—Pre-Tax and Election Changes.....	12
Code Section 125—Pre-Tax and Election Changes (cont’d).....	13
Medicare Secondary Payer Requirements	13
Medicare Part D Requirements	13
Mental Health Parity and Addiction Equity Act (“MHPAEA”).....	13
Michelle’s Law	13
National Defense Authorization Act of 2008 (“NDAA”)	13
Newborns’ and Mothers’ Health Protection Act of 1996 (“NMHPA”).....	14
Patient Protection and Affordable Care Act of 2010 (“PPACA”)	14
PPACA (cont’d)	15
PPACA (cont’d)	16
Pregnancy Discrimination Act (“PDA”).....	16
QMCSOs	17
Rehabilitation Act of 1973.....	17
Social Security Act Health Insurance (“Medicare”)	17

SECTION E: SUMMARY OF FINDINGS—FEDERAL LAW REQUIREMENTS (CONT'D)

Title VII of the Civil Rights Act of 1964 17
Uniformed Services Employment and Reemployment Rights Act of 1994 (“USERRA”)..... 17
Women’s Health and Cancer Rights Act of 1998 (“WHCRA”) 17

SECTION E: SUMMARY OF FINDINGS—FEDERAL LAW REQUIREMENTS (CONT'D)

FEDERAL STATUTE	DOCUMENTS REVIEWED	FINDINGS	COURSE OF ACTION REQUIRED	PEBP ACTION
<p>Americans with Disabilities Act of 1990, as amended (“ADA”)</p>	<ul style="list-style-type: none"> ▪ Reviewed Master Plan Documents (“MPDs”), Section 125 Health and Welfare Benefits Plan Document (“Section 125 Document”), and Flexible Spending Account Summary Plan Description (“FSA SPD”). ▪ Reviewed Employee Handbook and State Administrative Manual. 	<ul style="list-style-type: none"> ▪ EEOC regulations under the ADA and GINA, since partially vacated, would have applied to PEBP starting 7/1/2017 if PEBP had a wellness program that collected employee health information as a condition for receiving incentives. ▪ PEBP does not have a wellness program that collects employee health information, and so this new requirement does not apply to PEBP. 	<ul style="list-style-type: none"> ▪ None. 	
<p>Age Discrimination in Employment Act of 1967</p>	<ul style="list-style-type: none"> ▪ Reviewed MPDs, Section 125 Document, and FSA SPD. ▪ Reviewed Employee Handbook and State Administrative Manual. ▪ Reviewed Group Life Insurance Certificates. ▪ Reviewed Group Long Term Disability Insurance Certificates. 	<ul style="list-style-type: none"> ▪ No exceptions noted. 	<ul style="list-style-type: none"> ▪ None. 	
<p>Children’s Health Insurance Program Reconciliation Act of 2009 (“CHIPRA”)</p>	<ul style="list-style-type: none"> ▪ Reviewed MPDs, Section 125 Document, and FSA SPD. ▪ Reviewed Employee Handbook. 	<ul style="list-style-type: none"> ▪ CHIPRA Notice is currently not being distributed by PEBP; the obligation to distribute is on the employer (i.e., Agencies). ▪ Aon sent PEBP a copy of the most recent model CHIPRA notice on December 15, 2016. ▪ As confirmed by PEBP in document request, the Agencies retained the responsibility to distribute the notice for PY 2020. PEBP will distribute the CHIPRA notice starting PY 2021 in the Benefit Guide. 	<ul style="list-style-type: none"> ▪ None. 	

SECTION E: SUMMARY OF FINDINGS—FEDERAL LAW REQUIREMENTS (CONT'D)

FEDERAL STATUTE	DOCUMENTS REVIEWED	FINDINGS	COURSE OF ACTION REQUIRED	PEBP ACTION
<p>Consolidated Omnibus Budget Reconciliation Act of 1985 (“COBRA”)</p>	<ul style="list-style-type: none"> ▪ Reviewed MPDs. ▪ Reviewed Section 125 Document. ▪ Reviewed Plan Year 2020 Benefits Guide and Plan Year 2020 Medicare Guide. ▪ Reviewed FSA SPD. ▪ Reviewed COBRA Election Notice. ▪ Reviewed COBRA Premium Notice – Past Due. ▪ Reviewed PEBP Bad Debt and Collections Procedures. 	<ul style="list-style-type: none"> ▪ COBRA General (Initial) Notice. <ul style="list-style-type: none"> ▪ PEBP updated COBRA General Notice in August 2020 to incorporate Medicare coordination language from the new model notice published by the DOL in May 2020. ▪ Plan Year 2020 Benefits Guide contains COBRA overview and a link to the General Notice. PEBP does not obtain consent from employees or spouses for electronic disclosure of important documents including COBRA notices. (PEBP intends to add capability to obtain consent electronically in future system upgrades.) ▪ Linking to the COBRA General Notice is an electronic disclosure of the General Notice to employees and spouses. PEBP may electronically disclose the General Notice to an employee without consent only if: <ul style="list-style-type: none"> • The employee has the ability to access the documents at any location where the employee is reasonably expected to perform employment duties, and • The employee’s access to the electronic system is an integral part of their employment duties. <p>To furnish the General Notice to employees without such access to the electronic system, and to all spouses of employees, PEBP must obtain the consent of the employee or spouse.</p> ▪ PEPB will incorporate the COBRA General Notice, along with other required notices, into the E&E MPD and mail the E&E MPD annually. 	<ul style="list-style-type: none"> ▪ Mail COBRA General Notice to employees and spouses who have not provided consent for electronic disclosure. ▪ If a second address is known for a spouse, mail COBRA General Notice to that second address when capable. 	<ul style="list-style-type: none"> ▪ PEBP agrees with this finding and PEBP will work with the new eligibility and enrollment system vendor for potential system changes to obtain participant consent to receive electronic notices and the ability to maintain multiple address on file for COBRA participants ▪ PEBP will also incorporate the COBRA General Notice into the E&E MPD and mail the E&E MPD annually.

SECTION E: SUMMARY OF FINDINGS—FEDERAL LAW REQUIREMENTS (CONT'D)

FEDERAL STATUTE	DOCUMENTS REVIEWED	FINDINGS	COURSE OF ACTION REQUIRED	PEBP ACTION
<p>COBRA (cont'd)</p>		<ul style="list-style-type: none"> ▪ Retirees in the Medicare Exchange HRA are not eligible for COBRA in the event of the employer's bankruptcy. Medicare Exchange Health Reimbursement Arrangement SPD does not address COBRA. ▪ The Enrollment and Eligibility MPD refers to a section called "When COBRA Continuation Coverage May Be Cut Short" for an explanation of when the plan may terminate COBRA prior to the end of the maximum period of coverage. There is no section entitled "When COBRA Continuation Coverage May Be Cut Short," and this information is not provided in this MPD. ▪ <u>Notification to PEBP of Qualifying Events.</u> <ul style="list-style-type: none"> ▪ As confirmed by PEBP, the Agencies notify PEBP regarding the terminations of employment and reductions in hours. PEBP is unable to control timing of notifications by the Agencies. Agencies are responsible for employee portion of the premium if PEBP is not notified timely. ▪ <u>Election Notice.</u> <ul style="list-style-type: none"> ▪ If the Election Notice has been unchanged, then the COBRA Election Notice contains language regarding HIPAA Creditable Coverage notices which should be removed. ▪ Distribution of Election Notice: Per confirmation by PEBP, PEBP typically sends out the COBRA Election Notice within 5 working days after receipt of notification of a qualifying event from the Agency. PEBP is unable to control any potential delay by the Agencies in notifying PEBP of the qualifying event. ▪ <u>Notice of Termination of COBRA Coverage.</u> <ul style="list-style-type: none"> ▪ No exceptions noted. ▪ <u>Notice of COBRA Premiums Short by Insignificant Amount.</u> 	<ul style="list-style-type: none"> ▪ Revise Medicare Exchange Health Reimbursement Arrangement SPD to include COBRA eligibility in the event of an employer bankruptcy. ▪ Add a section "When COBRA Continuation Coverage May Be Cut Short" to Enrollment and Eligibility MPD after "Maximum Period of COBRA Continuation Coverage." ▪ None. ▪ Remove references to HIPAA Creditable Coverage notices in the COBRA Election Notice. ▪ None. ▪ None. 	<ul style="list-style-type: none"> ▪ PEBP agrees with this finding and will add the language. ▪ PEBP agrees with this finding and will add the language. ▪ PEBP agrees with this finding and will remove the HIPAA Creditable Coverage notice language.

SECTION E: SUMMARY OF FINDINGS—FEDERAL LAW REQUIREMENTS (CONT'D)

FEDERAL STATUTE	DOCUMENTS REVIEWED	FINDINGS	COURSE OF ACTION REQUIRED	PEBP ACTION
COBRA (cont'd)		<ul style="list-style-type: none"> ▪ The 2014 report suggested adding COBRA shortfall language to the standard Collections notice issued by PEBP Accounting Unit. ▪ Aon provided sample language on December 15, 2016. ▪ Per discussion with PEBP on January 20, 2017, PEBP believes that the collections process and existing language in Collections notice is sufficient and that explicit COBRA shortfall language is unnecessary in the standard Collections notice issued by the PEBP Accounting Unit. ▪ PEBP stated in its response to summary questions dated October 7, 2020 that PEBP will add shortfall language to COBRA Premium Notice – Past Due notice. The proposed shortfall language is not appropriate for qualified beneficiary communications. <p>Aon instead recommends including the following phrase: “If your payment is not significantly short of the due amount, PEBP will contact you to allow you to complete the payment.”</p>	<ul style="list-style-type: none"> ▪ Revise COBRA Premium Notice – Past Due with the shorter shortfall statement. 	<ul style="list-style-type: none"> ▪ PEBP agrees with this and will modify the COBRA Premium Notice – Past Due accordingly.
Executive Order 11246	<ul style="list-style-type: none"> ▪ Reviewed MPDs, Section 125 Document, and FSA SPD. ▪ Reviewed Group Life Insurance Certificates. ▪ Reviewed Group Long Term Disability Insurance Certificates. 	<ul style="list-style-type: none"> ▪ No exceptions noted. 	<ul style="list-style-type: none"> ▪ None. 	
Family and Medical Leave Act of 1993 (“FMLA”)	<ul style="list-style-type: none"> ▪ Reviewed MPDs, Section 125 Document, and FSA SPD. ▪ Reviewed Employee Handbook. ▪ FMLA Notice. 	<ul style="list-style-type: none"> ▪ No exception noted. 	<ul style="list-style-type: none"> ▪ None. 	

SECTION E: SUMMARY OF FINDINGS—FEDERAL LAW REQUIREMENTS (CONT'D)

FEDERAL STATUTE	DOCUMENTS REVIEWED	FINDINGS	COURSE OF ACTION REQUIRED	PEBP ACTION
<p>Families First Coronavirus Response Act (“FFCRA”), as amended by the Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”) and IRS Notices 2020-29 & 2020-30</p>	<ul style="list-style-type: none"> ▪ Reviewed MPDs, Section 125 Document, and FSA SPD. 	<ul style="list-style-type: none"> ▪ FFCRA requires group health plans to cover USPSTF recommended items, including a COVID-19 vaccine, within 15 business days of adoption by the USPSTF. CDHP MPD and Premium Plan MPD should make such preventive service coverage explicit. ▪ FSA SPD will need to be updated for \$550 carryover. ▪ OTC medicines need to be updated. 	<ul style="list-style-type: none"> ▪ Amend CDHP MPD and Premier EPO Plan MPD to explicitly cover USPSTF-recommended COVID services, including a vaccine, within 15 business days of adoption of recommendation by USPSTF. ▪ Update FSA SPD accordingly. 	<ul style="list-style-type: none"> ▪ PEBP agrees with this finding and will make the required amendments to the CDHP MPD and Premier EPO Plan MPD. ▪ PEBP agrees with this finding and will make the required amendments to the FSA SPD.
<p>Genetic Information Nondiscrimination Act of 2008 (“GINA”)</p>	<ul style="list-style-type: none"> ▪ Reviewed MPDs. 	<ul style="list-style-type: none"> ▪ No exception noted. 	<ul style="list-style-type: none"> ▪ None. 	
<p>Gulf Opportunity Zone Act of 2005 (“GO Act”)</p>	<ul style="list-style-type: none"> ▪ Reviewed MPDs. 	<ul style="list-style-type: none"> ▪ No exception noted. 	<ul style="list-style-type: none"> ▪ None. 	
<p>Heroes Earnings Assistance and Relief Tax Act of 2008 (“HEART”)</p>	<ul style="list-style-type: none"> ▪ Reviewed FSA SPD. ▪ Reviewed FSA Enrollment Form. ▪ Reviewed Employee Handbook. 	<ul style="list-style-type: none"> ▪ No exceptions noted. 	<ul style="list-style-type: none"> ▪ None. 	

SECTION E: SUMMARY OF FINDINGS—FEDERAL LAW REQUIREMENTS (CONT'D)

FEDERAL STATUTE	DOCUMENTS REVIEWED	FINDINGS	COURSE OF ACTION REQUIRED	PEBP ACTION
<p>HIPAA Benefit Provisions</p>	<ul style="list-style-type: none"> ▪ Reviewed Plan Year 2020 Benefit Guide and Plan Year 2020 Medicare Guide. ▪ Reviewed MPDs, Section 125 Document, and FSA SPD. ▪ Reviewed Qualifying Life Status Event document. 	<ul style="list-style-type: none"> ▪ The Enrollment and Eligibility MPD and Qualifying Life Status Event documents describe the HIPAA Special Enrollment rights for those who lose CHIPRA coverage or for those who lose Medicaid coverage. ▪ The Enrollment and Eligibility MPD and Qualifying Life Status Event document do not permit a special enrollment for those that lose eligibility for individual coverage in the public Exchange. However, in practice, PEBP allows individuals to enroll in PEBP coverage if they lose individual coverage. ▪ The following documents have a HIPAA Special Enrollment Rights notice: Enrollment and Eligibility MPD. The Section 125 Document has a section regarding “Special Enrollment” with the language of a HIPAA Special Enrollment Rights notice, but the term “HIPAA Special Enrollment” is not used. PEBP will begin to mail E&E MPD annually to ensure provision of required notices, including notice of Special Enrollment rights. ▪ Qualifying Life Status Event document states that participants need to provide PEBP with a Creditable Coverage Certificate when trying to enroll during Dependent Loses Coverage and Loss of Coverage for Dependent Children under Medicaid or Nevada Check Up. 	<ul style="list-style-type: none"> ▪ None. ▪ None. ▪ None. ▪ Remove references to “Creditable Coverage Certificates.” 	<ul style="list-style-type: none"> ▪ PEBP agrees with this finding and will remove references to Creditable Coverage Certificates.
<p>HIPAA Privacy and Data Security Provisions</p>	<ul style="list-style-type: none"> ▪ Reviewed HIPAA Privacy Notice. ▪ Reviewed MPD, HIPAA Privacy and Security Policies and Procedures, and July 2019 training materials as provided by Aon to PEBP. ▪ Reviewed HIPAA Training Log. 	<ul style="list-style-type: none"> ▪ <u>Training.</u> ▪ PEBP staff receives annual training and has a good understanding of the HIPAA rules and regulations and are very sensitive to the privacy and security of PEBP health information. ▪ Training Log (“Board and Staff HIPAA Attestation”) indicates training was received September and October of 2019 and between February and October 2020. 	<ul style="list-style-type: none"> ▪ None. 	

SECTION E: SUMMARY OF FINDINGS—FEDERAL LAW REQUIREMENTS (CONT'D)

FEDERAL STATUTE	DOCUMENTS REVIEWED	FINDINGS	COURSE OF ACTION REQUIRED	PEBP ACTION
<p>HIPAA Privacy and Data Security Provisions (cont'd)</p>	<ul style="list-style-type: none"> ▪ Reviewed HIPAA Privacy Notice. ▪ Reviewed MPDs, Section 125 Document, and FSA SPD. ▪ Reviewed Plan Year 2020 Benefit Guide and Plan Year 2020 Medicare Guide. ▪ Reviewed MPDs, Section 125 Document, and FSA SPD. 	<ul style="list-style-type: none"> ▪ <u>HIPAA Privacy Officer.</u> <ul style="list-style-type: none"> ▪ Identified in the HIPAA Privacy and Security Policies and Procedures as Quality Control Officer. ▪ Identified in the HIPAA Privacy Notice (also identified as contact person). ▪ Identified in the July 2019 HIPAA Privacy and Data Security Training as Quality Control Officer. ▪ <u>HIPAA Privacy Notice.</u> <ul style="list-style-type: none"> ▪ Notice was updated in 2016. ▪ HIPAA Notice of Privacy Practices is not provided in any MPDs, but the FSA SPD has a large portion of the Notice under General Notices. ▪ Plan Year 2020 Benefit Guide and Plan Year 2020 Medicare Guide contain paragraph on HIPAA Privacy Practices with a description of how to obtain a copy of the notice. ▪ Notice of Privacy Practices under Mandatory Notices section of website links to same Notice of Privacy Practices as other plan documents. ▪ <u>Protected Information Access Levels.</u> ▪ The PEBP Protected Information Access Levels per position chart, which lists the access levels for employees who are authorized to view PHI/PII, is found in: <ul style="list-style-type: none"> • The 2019 HIPAA Privacy and Data Security Training materials; and • The HIPAA Privacy and Security Policies and Procedures (1/23/2019). 	<ul style="list-style-type: none"> ▪ None. ▪ None. ▪ Delete the remaining portion of the Notice of Privacy Practices in the FSA SPD. ▪ None. ▪ None. ▪ Reconcile the titles and levels of access between the training the Policies and Procedures (likely updating the training). 	<ul style="list-style-type: none"> ▪ PEBP agrees with this finding and will amend the FSA SPD accordingly. ▪ PEBP agrees with this finding and will review the titles and update the appropriate documents to match.

SECTION E: SUMMARY OF FINDINGS—FEDERAL LAW REQUIREMENTS (CONT'D)

FEDERAL STATUTE	DOCUMENTS REVIEWED	FINDINGS	COURSE OF ACTION REQUIRED	PEBP ACTION
<p>HIPAA Privacy and Data Security Provisions (cont'd)</p>	<ul style="list-style-type: none"> ▪ Reviewed HIPAA Privacy and Security Policies and Procedures. 	<ul style="list-style-type: none"> ▪ There are discrepancies between the training materials and the Policies and Procedures: <ul style="list-style-type: none"> • Chief Financial Officer's level • Title: Chief Information Officer or Information Technology Officer • Management Analyst II's level • Program Officer III's level • Titles and levels of Member Services Administrative Assistant, Eligibility Administrative Assistant ▪ <u>HIPAA Data Security Compliance.</u> ▪ PEBP's Health Plan Auditor had completed a security review in 2010, 2014, and 2016 (per August 2016 report submitted by Health Claim Auditors, Inc. ("HCA")). Per HCA August 2016 report, HCA's audit observed PEBP internal policies and procedures under HIPAA; the review included some areas (administrative, physical, and technical safeguards) required by the HIPAA data security regulations. ▪ Per the PY 2016 report, PEBP believes they are in compliance for HIPAA. ▪ At the time of the last review, PEBP indicated that HCA was scheduled to conduct another audit. Although that audit is outside the scope of this review timeframe, PEBP should review the results of the HCA audit and take action as needed. Per conference call on September 15, 2020, PEBP confirmed that the scheduled audit did not occur. Per PEBP response to further summary questions, PEBP will conduct a HIPAA audit in the fall of 2021. ▪ HIPAA Security Officer is identified in the HIPAA Privacy and Security Policies and Procedures as Information Technology Officer and in the July 2019 HIPAA Training as the Chief Information Officer. 	<ul style="list-style-type: none"> ▪ Update training to reconcile HIPAA Security Officer title. 	<ul style="list-style-type: none"> ▪ PEBP agrees with this finding and will update the training.

SECTION E: SUMMARY OF FINDINGS—FEDERAL LAW REQUIREMENTS (CONT'D)

FEDERAL STATUTE	DOCUMENTS REVIEWED	FINDINGS	COURSE OF ACTION REQUIRED	PEBP ACTION
<p>HIPAA Privacy and Data Security Provisions (cont'd)</p>	<ul style="list-style-type: none"> ▪ Reviewed HIPAA Privacy and Security Policies and Procedures. ▪ Reviewed Release of Information Authorization Form. 	<ul style="list-style-type: none"> ▪ <u>HIPAA Privacy and Security Policies and Procedures:</u> ▪ Following 2014 report, PEBP created MPD for HIPAA Privacy and Security Requirements which describes how PHI may be accessed, used or disclosed by the PEBP Workforce, and updated HIPAA Privacy and Security of Protected Health Information (PHI) policies and procedures document as of 7/1/2017, which describe HIPAA requirements at a high level. ▪ Per 2014 report, the HIPAA Privacy and Security of Protected Health Information (PHI) policies and procedures were substantially updated in 2013. <ul style="list-style-type: none"> • Incorporate a summary of HITECH changes to HIPAA rules and refer to the HITECH revisions published in January 2013. • Describe the HIPAA Data Security standards and specifications at a high level. ▪ 2019 HIPAA Privacy and Security Policies and Procedures incorporate detailed procedures for determining breaches and notification of breaches. ▪ On January 27, 2017, Aon provided the following to PEBP: (1) updated signature language for Attachment B "Release of Information Authorization Form" to address personal representative of individual; and (2) sample Table of Contents for HIPAA Privacy and Security of Protected Health Information (PHI) policies and procedures. PEBP added this language in April 2019. ▪ If PEBP uses the Release of Information Authorization Form to request an individual to authorize release, the Form must also include language informing the individual that PEBP may not condition treatment, payment, enrollment, or eligibility for benefits in the PEBP health plan upon the individual signing the authorization form. 	<ul style="list-style-type: none"> ▪ Proofread the document, which appears to have misplaced headers and some redundant sections. ▪ If PEBP requests authorization, add statement that PEBP does not condition treatment, payment, enrollment, or eligibility for benefits upon individual signing authorization. 	<ul style="list-style-type: none"> ▪ PEBP agrees with this finding and will revise the document. ▪ PEBP agrees with this finding and will revise the Release of Information Authorization Form accordingly.

SECTION E: SUMMARY OF FINDINGS—FEDERAL LAW REQUIREMENTS (CONT'D)

FEDERAL STATUTE	DOCUMENTS REVIEWED	FINDINGS	COURSE OF ACTION REQUIRED	PEBP ACTION
<p>HIPAA Privacy and Data Security Provisions (cont'd)</p>	<ul style="list-style-type: none"> ▪ Reviewed Business Associate Agreements. ▪ Reviewed Template Business Associate Agreement. 	<ul style="list-style-type: none"> ▪ <u>Business Associate Agreements (“BAA”).</u> ▪ The BAA with Express Scripts, Inc., signed by both parties in 2018, is effective “upon BOE approval.” In 2018 PEBP confirmed that its BAA with ESI is effective July 12, 2018. ▪ The BAA with Hometown Health Providers, signed by both parties in 2018, is effective “upon BOE approval.” BOE approved Amendment #3 to contract 3100/15510 which incorporates the BAA as Attachment DD. ▪ We are unable to independently confirm that every business associate of PEBP has been identified. ▪ PEBP confirmed that they have HIPAA BAAs with appropriate PEBP vendors. PEBP provided that other vendors or entities that could be potential business associates (such as photocopier providers, on-site contractors, facsimile machine providers, document storage and disposal (paper or electronic)) would be handled as part of an overall state-wide contract. ▪ Template BAA has all necessary provisions. ▪ <u>General Observations.</u> ▪ PEBP states that an independent audit occurs that involves IT. PEBP confirmed in a conference call on September 15, 2020 that the IT Security Audit was completed on February 18, 2020. 	<ul style="list-style-type: none"> ▪ None. ▪ None. 	<ul style="list-style-type: none"> ▪ PEBP agrees with this finding and has confirmed that the BAA has been executed.
<p>Code Section 125—Pre-Tax and Election Changes</p>	<ul style="list-style-type: none"> ▪ Reviewed MPDs, Section 125 Health and Welfare Benefits Plan Document, and FSA SPD. 	<ul style="list-style-type: none"> ▪ Article 6.1 of the Section 125 Health and Welfare Benefits Plan Document includes the Medicare Exchange benefit which is not offered through the cafeteria plan. The Medicare Exchange benefit is an HRA funded solely by the former employer. ▪ PEBP confirmed that a change in elections is allowed only when eligibility for coverage is affected, and that the change is due to and consistent with the change in status. 	<ul style="list-style-type: none"> ▪ Remove Medicare Exchange benefit from Article 6 of the Section 125 Health and Welfare Benefits Plan Document. ▪ None. 	<ul style="list-style-type: none"> ▪ PEBP agrees with this finding and will remove Article 6 from the Section 125 Health and Welfare Benefits Plan Document.

SECTION E: SUMMARY OF FINDINGS—FEDERAL LAW REQUIREMENTS (CONT'D)

FEDERAL STATUTE	DOCUMENTS REVIEWED	FINDINGS	COURSE OF ACTION REQUIRED	PEBP ACTION
Code Section 125—Pre-Tax and Election Changes (cont'd)	<ul style="list-style-type: none"> Reviewed Qualifying Life Status Events document. 	<ul style="list-style-type: none"> Qualifying Life Status Events document states that, in the event of a marriage, coverage for newly-added spouse begins first day of the month concurrent with or following marriage. This can result in retroactive election changes if the employee notifies PEBP of the marriage within 60 days but after the first of the month concurrent with or following the date of marriage. Retroactive election changes are only allowed for birth, adoption, or placement for adoption events. All other events must have prospective election changes from the date of the event or the date of notification to the plan, whichever is later. 	<ul style="list-style-type: none"> Begin coverage on the first of the month concurrent with or following the date of marriage or the date the employee notifies the plan of the marriage, whichever is later. 	<ul style="list-style-type: none"> PEBP agrees with this finding and will take the recommended action.
Medicare Secondary Payer Requirements	<ul style="list-style-type: none"> Reviewed MPDs. 	<ul style="list-style-type: none"> The active plan requires retirees and retiree dependents to be covered under the Medicare HRA when Medicare-eligible. 	<ul style="list-style-type: none"> Create a second plan for retirees that mirrors the active plan and has its own, separate plan documentation. 	<ul style="list-style-type: none"> PEBP agrees with this finding and will take the recommended action.
Medicare Part D Requirements	<ul style="list-style-type: none"> Reviewed Medicare Part D Notices. 	<ul style="list-style-type: none"> Medicare Part D Notices are posted on PEBP's website (dated July 1, 2019) under "Mandatory Notices." Per PEBP response to summary questions dated October 7, 2020, notices are distributed to all participants annually in July. Per PEBP response to summary questions dated October 7, 2020, PEBP confirmed that it performs Medicare Part D reporting to CMS within 60 days following the beginning of each plan year. 	<ul style="list-style-type: none"> None. None. 	
Mental Health Parity and Addiction Equity Act ("MHPAEA")	<ul style="list-style-type: none"> Reviewed MPDs and Section 125 Document. 	<ul style="list-style-type: none"> No exceptions noted. 	<ul style="list-style-type: none"> None. 	
Michelle's Law	<ul style="list-style-type: none"> Reviewed MPDs and Section 125 Document. Reviewed Plan Year 2020 Benefit Guide and Plan Year 2020 Medicare Guide. 	<ul style="list-style-type: none"> No exceptions noted. 	<ul style="list-style-type: none"> None. 	
National Defense Authorization Act of 2008 ("NDAA")	<ul style="list-style-type: none"> Reviewed MPDs and Section 125 Document. Reviewed Employee Handbook. 	<ul style="list-style-type: none"> No exceptions noted. 	<ul style="list-style-type: none"> None. 	

SECTION E: SUMMARY OF FINDINGS—FEDERAL LAW REQUIREMENTS (CONT'D)

FEDERAL STATUTE	DOCUMENTS REVIEWED	FINDINGS	COURSE OF ACTION REQUIRED	PEBP ACTION
<p>Newborns' and Mothers' Health Protection Act of 1996 ("NMHPA")</p>	<ul style="list-style-type: none"> ▪ Reviewed MPDs, Section 125 Document, and FSA SPD. ▪ Reviewed Plan Year 2020 Benefit Guide and Plan Year 2020 Medicare Guide. 	<ul style="list-style-type: none"> ▪ No exceptions noted. 	<ul style="list-style-type: none"> ▪ None. 	
<p>Patient Protection and Affordable Care Act of 2010 ("PPACA")</p>	<ul style="list-style-type: none"> ▪ Reviewed MPDs, Section 125 Document, and FSA SPD. ▪ Reviewed Plan Year 2020 Benefit Guide and Plan Year 2020 Medicare Guide. ▪ Reviewed PEBP Appeals and Complaints Policies and Procedures. ▪ Reviewed Employee Handbook. 	<ul style="list-style-type: none"> ▪ <u>PPACA Reporting.</u> <ul style="list-style-type: none"> ▪ PEBP performs PPACA reporting in-house after Morneau Shepell collects the necessary data, as confirmed by PEBP in response to summary questions dated October 7, 2020. ▪ <u>Claims and Appeals.</u> <ul style="list-style-type: none"> ▪ Enrollment and Eligibility MPD. <ul style="list-style-type: none"> • MPD still excludes eligibility appeals but Appeals and Complaints Policies and Procedures includes eligibility appeals. ▪ Notice of Adverse Benefit Determinations. <ul style="list-style-type: none"> • Aon did not receive nor review adverse benefit determination notices sent by PEBP or TPA. • Aon confirmed with HSB in email dated 8/13/2018 that the adverse benefit determination notices are sent in a culturally and linguistically appropriate manner. 	<ul style="list-style-type: none"> ▪ None—continue existing process. ▪ None. ▪ Revise Enrollment and Eligibility MPD to explicitly state eligibility decisions are subject to appeals. ▪ None. ▪ None. 	<ul style="list-style-type: none"> ▪ PEBP agrees with this action and will make the appropriate revision to the Eligibility & Enrollment MPD.

SECTION E: SUMMARY OF FINDINGS—FEDERAL LAW REQUIREMENTS (CONT'D)

FEDERAL STATUTE	DOCUMENTS REVIEWED	FINDINGS	COURSE OF ACTION REQUIRED	PEBP ACTION
PPACA (cont'd)		<ul style="list-style-type: none"> • Aon confirmed with HSB in email dated 8/13/2018 that the notices sent by PEBP or TPA comply the content requirement include information sufficient to identify the claim involved, the reason(s) for the adverse benefit determination as well as a description of the plan's or issuer's standard, if any, that was used in denying the claim, provide a description of available internal appeals and external review processes, including information regarding how to initiate an appeal, and disclose the availability of, and contact information for, any applicable office of health insurance consumer assistance or ombudsman. ▪ <u>Employer Mandate.</u> <ul style="list-style-type: none"> ▪ Agencies are responsible for counting hours and determining who is a full-time employee eligible for coverage. Agencies then feed that information to PEBP. ▪ Medical coverage offered meets the minimum value standard and is affordable (monthly contribution amount for employee-only coverage in the lowest cost plan is below Federal Poverty Line), as set forth in the Marketplace Notice – Eligible Employees. ▪ <u>Fees.</u> <ul style="list-style-type: none"> ▪ PCORI fee for the self-insured health plan(s) was paid in July 2019 and July 2020, as confirmed on the conference call of September 15, 2020. ▪ <u>Marketplace Notices.</u> <ul style="list-style-type: none"> ▪ Eligible and ineligible for health coverage notices are being provided annually to all payroll centers at the various agencies. The Agency should provide the applicable notice within 7 days of hire date. ▪ <u>Preventive Care.</u> <ul style="list-style-type: none"> ▪ CDHP MPD and Wellness Guide incorporate latest guidance regarding preventive services without cost-sharing. 	<ul style="list-style-type: none"> ▪ None. ▪ None—continue the existing course of action. ▪ None. ▪ None. ▪ None. ▪ None. ▪ None. ▪ None. 	

SECTION E: SUMMARY OF FINDINGS—FEDERAL LAW REQUIREMENTS (CONT'D)

FEDERAL STATUTE	DOCUMENTS REVIEWED	FINDINGS	COURSE OF ACTION REQUIRED	PEBP ACTION
<p>PPACA (cont'd)</p>		<ul style="list-style-type: none"> ▪ <u>Out-of-Pocket Maximums.</u> <ul style="list-style-type: none"> ▪ CDHP complies with PPACA and IRS limits for maximum out-of-pocket limits. ▪ <u>Section 1557 Nondiscrimination.</u> <ul style="list-style-type: none"> ▪ The Section 1557 notice requirement has been revoked in new final rule published by HHS. There is ongoing litigation over the final rule, but the repealed notice requirement is not affected by the litigation. ▪ The Section 1557 notice is included in the following documents: Enrollment and Eligibility MPD; 2020 Plan Year Benefit Guide, 2020 Plan Year Medicare Guide. ▪ PEBP medical plans cover gender dysphoria. ▪ <u>Summaries of Benefit and Coverage (SBCs).</u> <ul style="list-style-type: none"> ▪ SBCs are posted on the PEBP website. ▪ Per email dated December 19, 2016, and conference call of 8/3/2018, PEBP does not provide hard copies of the SBC to new hires or special enrollees. SBC is referenced in the 2020 Plan Year Benefit Guide but is not included. ▪ Per email dated December 19, 2016, PEBP provides SBC within 7 business days upon request. ▪ SBC notice of availability is not in the 2020 Plan Year Benefit Guide but there is language directing participants to the PEBP website. ▪ SBCs use current (updated) SBC template. ▪ Dental. <ul style="list-style-type: none"> ▪ Based on documentation reviewed, self-insured dental coverage does not appear to be an excepted benefit as it is: (1) bundled with medical coverage for active employees; and (2) the claims administrator for both dental and medical coverage is HealthSCOPE. PEBP discussed with legal counsel and determined that the dental plan is an excepted benefit. 	<ul style="list-style-type: none"> ▪ None. ▪ None. ▪ None. ▪ None. ▪ None. 	
<p>Pregnancy Discrimination Act (“PDA”)</p>	<ul style="list-style-type: none"> ▪ Reviewed MPDs and Section 125 Document. 	<ul style="list-style-type: none"> ▪ No exceptions noted. 	<ul style="list-style-type: none"> ▪ None. 	

SECTION E: SUMMARY OF FINDINGS—FEDERAL LAW REQUIREMENTS (CONT'D)

FEDERAL STATUTE	DOCUMENTS REVIEWED	FINDINGS	COURSE OF ACTION REQUIRED	PEBP ACTION
QMCSOs	<ul style="list-style-type: none"> Reviewed MPDs Section 125 Document, and FSA SPD. 	<ul style="list-style-type: none"> No exceptions noted. 	<ul style="list-style-type: none"> None. 	
Rehabilitation Act of 1973	<ul style="list-style-type: none"> Reviewed MPDs Section 125 Document, and FSA SPD. Reviewed Employee Handbook. 	<ul style="list-style-type: none"> No exceptions noted. 	<ul style="list-style-type: none"> None. 	
Social Security Act Health Insurance ("Medicare")	<ul style="list-style-type: none"> Reviewed Medicare Part D Notice. 	<ul style="list-style-type: none"> No exceptions noted. 	<ul style="list-style-type: none"> None. 	
Title VII of the Civil Rights Act of 1964	<ul style="list-style-type: none"> Reviewed MPDs Section 125 Document, and FSA SPD. Reviewed Employee Handbook. 	<ul style="list-style-type: none"> No exceptions noted. 	<ul style="list-style-type: none"> None. 	
Uniformed Services Employment and Reemployment Rights Act of 1994 ("USERRA")	<ul style="list-style-type: none"> Reviewed MPDs, Section 125 Document, and FSA SPD. Reviewed Employee Handbook. Reviewed Military Leave Notice. 	<ul style="list-style-type: none"> No exceptions noted. 	<ul style="list-style-type: none"> None. 	
Women's Health and Cancer Rights Act of 1998 ("WHCRA")	<ul style="list-style-type: none"> Reviewed MPDs, Section 125 Document, and FSA SPD. Review 2020 Plan Year Benefit Guide and 2020 Plan Year Medicare Guide. 	<ul style="list-style-type: none"> No exceptions noted. PEBP will incorporate WHCRA notice in E&E MPD and mail the E&E MPD annually. 	<ul style="list-style-type: none"> None. 	

SECTION F: SUMMARY OF FINDINGS—STATE LAW REQUIREMENTS

TABLE OF CONTENTS

	<u>Page F-</u>
Eligibility and Participation: Definition of “Dependent”	4
Eligibility and Participation: Definition of “Domestic Partner”	4
Eligibility and Participation: Definition of “Participant”	4
Eligibility and Participation: Definition of “Full-Time Employment” and Eligibility Waiting Periods	4
Eligibility and Participation: Retirees.....	5
Eligibility and Participation: Seasonal Employees and Employees on a Biennial Plan	5
Eligibility and Participation: Rehired Employees.....	5
Eligibility and Participation: Individual as Both Employee and Dependent	5
Eligibility and Participation: Surviving Spouse/ Dependents.....	6
Eligibility and Participation: Surviving Spouse/Child of a Police Officer, Firemen or Volunteer Firemen Killed in the Line of Duty.....	6
Eligibility and Participation: Coverage of Newly Born and Adopted Children.....	6
Eligibility and Participation: Applications for Participation in PEBP by Local Government Agencies	7
Eligibility and Participation: Orientation Program	7
Eligibility and Participation: Terminating Interlocal Contract and Withdrawing from Program.....	8
Eligibility and Participation: Opt-out Plan Administration	8
Eligibility and Participation Definition of “Open Enrollment”	8
Benefits Coverage: Definition of “Plan Year”	8
Benefits Coverage.....	9
Benefits Coverage: Reinstatement of Coverage by Retired Public Officer, Employee or Surviving Spouse	9
Benefits Coverage: Human Papillomavirus Vaccination, Screening for Colorectal Cancer, Screening for Prostate Cancer, and Screening for and Diagnosis and Treatment of Autism Spectrum Disorders	9
Benefits Coverage: Oral Chemotherapy Parity.....	10
Benefits: Coverage: Services Provided Through Telehealth	10
Benefits: Coverage: Continued Medical Treatment	10
Benefits Coverage: Autism Spectrum Disorders.....	11
Benefits Coverage: Medically Necessary Emergency Services.....	11
Benefits Coverage: Required Provision Concerning Coverage for Human Papillomavirus Vaccine.....	11
Benefits Coverage: Treatment Received as Part of a Clinical Trial or Study	11
Benefits Coverage: Required Provisions for Prescription Drugs Irregularly Dispensed for Synchronization of Chronic Medications.....	11
Benefits Coverage: Required Provisions for Early Refills of Topical Ophthalmic Products	12
Benefits Coverage: Required Provisions for Coverage for Prostate Cancer Screening	12
Benefits Coverage: Claims Involving Intoxication	12

SECTION F: SUMMARY OF FINDINGS—STATE LAW REQUIREMENTS (CONT'D)

Benefits Coverage: Hearing Aid Coverage for Children	12
NRS 689B.330.....	12
NRS 689B.425.....	12
NRS 695C.050	12
NRS 695C.330	12
NRS 287.010.....	12
Benefits Coverage: Sickle Cell Anemia Treatment	12
NRS 689A.330.....	12
NRS 689C.425	12
NRS 695C.050	12
NRS 287.010.....	12
NRS 287.04335.....	12
Benefits Coverage: Gestational Maternity Care.....	13
NRS 689A.330.....	13
NRS 689C.425	13
NRS 695C.050	13
NRS 695C.330	13
NRS 287.04335.....	13
Benefits Coverage: Billing for Certain Medically Necessary Emergency Services	13
NRS 683A.0879.....	13
NRS 689B.255.....	13
NRS 695A.188.....	13
NRS 695B.2505.....	13
NRS 695C.185	13
Benefits Coverage: Prescription Drug Coverage under Medicaid and CHIP	13
NRS 287.010.....	13
NRS 287.287	13
NRS 287.040.....	13
NRS 287.0433.....	13
NRS 683.178.....	13
Benefits Coverage: Coverage Regardless of Health Status	14
NRS 689A.330.....	14
NRS 689A.417.....	14
NRS 689B.069.....	14
NRS 689B.275.....	14
NRS 689B.500.....	14
NRS 689B.550.....	14
NRS 689C.159	14

SECTION F: SUMMARY OF FINDINGS—STATE LAW REQUIREMENTS (CONT'D)

NRS 689C.190 14
NRS 689C.193 14
NRS 689C.198 14
NRS 689C.220 14
NRS 695B.193..... 14
NRS 695B.2555..... 14
NRS 695C.050 14
NRS 695C.173 14
NRS 695C.207 14
NRS 287.010..... 14
NRS 287.04335..... 14
Funding Requirements: Non-retiree plans..... 14
Funding Requirements: Retiree Plans..... 15
Funding Requirements: Payment of Premiums 15
Funding Requirements: Direct Payment of Premiums for Retirees, LOAs Without Pay and LOAs due to Work Injury 16
Funding Requirements: Procedures Regarding Handling Over/ Underpayments of Premiums 16
Subrogation to Rights of Officer, Employee or Dependent 16
Claims and Appeals Procedures 16
Claims and Appeals Procedures: Complaint System; Notice Requirements to Insured 17
Claims and Appeals Procedures: Notice to Insured; Expedited Review Process 17
Claims and Appeals Procedures: External Review Process 17
Family Medical Leave Provisions 17
Leave of Absence for Military Duty 17
PEBP Board Authority and Duties 18
Miscellaneous..... 18

SECTION F: SUMMARY OF FINDINGS—STATE LAW REQUIREMENTS (CONT'D)

STATE STATUTE	PROCEDURES PERFORMED	FINDINGS	COURSE OF ACTION REQUIRED	PEBP ACTION
<p>Eligibility and Participation: Definition of “Dependent” NAC 287.035 NAC 287.311 NAC 287.312 NAC 287.3125 NAC 287.313 NRS 689B.035</p>	<ul style="list-style-type: none"> ▪ Reviewed Master Plan Documents (“MPD”). ▪ Reviewed Open Enrollment Guide. ▪ Reviewed Section 125 Document. ▪ Reviewed PEBP Health & Welfare Wrap Plan. 	<ul style="list-style-type: none"> ▪ No exceptions noted. 	<ul style="list-style-type: none"> ▪ None. 	
<p>Eligibility and Participation: Definition of “Domestic Partner” NAC 287.035</p>	<ul style="list-style-type: none"> ▪ Reviewed MPDs. ▪ Reviewed Section 125 Document. ▪ Reviewed Open Enrollment Guide. ▪ Reviewed PEBP Health & Welfare Wrap Plan. 	<ul style="list-style-type: none"> ▪ No exceptions noted. 	<ul style="list-style-type: none"> ▪ None. 	
<p>Eligibility and Participation: Definition of “Participant” NAC 287.095 NAC 287.135 NAC 287.150 NAC 287.313</p>	<ul style="list-style-type: none"> ▪ Reviewed MPDs. ▪ Reviewed Open Enrollment Guide. ▪ Reviewed Section 125 Document. ▪ Reviewed Employee Handbook. 	<ul style="list-style-type: none"> ▪ No exceptions noted. 	<ul style="list-style-type: none"> ▪ None. 	
<p>Eligibility and Participation: Definition of “Full-Time Employment” and Eligibility Waiting Periods NRS 287.045 NAC 287.150 NAC 287.313</p>	<ul style="list-style-type: none"> ▪ Reviewed MPDs. ▪ Reviewed Open Enrollment Guide. ▪ Reviewed Employee Handbook. ▪ Reviewed Section 125 Document. ▪ Reviewed PEBP Health & Welfare Wrap Plan. 	<ul style="list-style-type: none"> ▪ No exceptions noted. 	<ul style="list-style-type: none"> ▪ None. 	

SECTION F: SUMMARY OF FINDINGS—STATE LAW REQUIREMENTS (CONT'D)

STATE STATUTE	PROCEDURES PERFORMED	FINDINGS	COURSE OF ACTION REQUIRED	PEBP ACTION
<p>Eligibility and Participation: Retirees NAC 287.135 NAC 287.440 NAC 287.530 NAC 287.540 NAC 287.542 NAC 287.544 NAC 287.546 NAC 287.548 NRS 287.0406 NRS 287.0436 NRS 287.046 NRS 287.023 NRS 287.047 NRS 287.043</p>	<ul style="list-style-type: none"> ▪ Reviewed MPDs. ▪ Reviewed PEBP Board and Agency Duties, Policies and Procedures (“Board Procedures”). ▪ Reviewed Open Enrollment Guide. ▪ Reviewed Employee Handbook. ▪ Reviewed PEBP Health & Welfare Wrap Plan. 	<ul style="list-style-type: none"> ▪ No exceptions noted. 	<ul style="list-style-type: none"> ▪ None. 	
<p>Eligibility and Participation: Seasonal Employees and Employees on a Biennial Plan NAC 287.095 NAC 287.150 NRS 287.0467</p>	<ul style="list-style-type: none"> ▪ Reviewed MPDs. ▪ Reviewed Open Enrollment Guide. ▪ Reviewed Employee Handbook. 	<ul style="list-style-type: none"> ▪ No exceptions noted. 	<ul style="list-style-type: none"> ▪ None. 	
<p>Eligibility and Participation: Rehired Employees NAC 287.510 NAC 287.515 NRS 287.043</p>	<ul style="list-style-type: none"> ▪ Reviewed MPDs. ▪ Reviewed Open Enrollment Guide. ▪ Reviewed Employee Handbook. 	<ul style="list-style-type: none"> ▪ No exceptions noted. 	<ul style="list-style-type: none"> ▪ None. 	
<p>Eligibility and Participation: Individual as Both Employee and Dependent NAC 287.520 NRS 287.043</p>	<ul style="list-style-type: none"> ▪ Reviewed MPDs. ▪ Reviewed Open Enrollment Guide. ▪ Reviewed Employee Handbook. 	<ul style="list-style-type: none"> ▪ No exceptions noted. 	<ul style="list-style-type: none"> ▪ None 	

SECTION F: SUMMARY OF FINDINGS—STATE LAW REQUIREMENTS (CONT'D)

STATE STATUTE	PROCEDURES PERFORMED	FINDINGS	COURSE OF ACTION REQUIRED	PEBP ACTION
<p>Eligibility and Participation: Surviving Spouse/ Dependents NAC 287.530 NRS 287.021 NRS 287.0475 NRS 287.0477</p>	<ul style="list-style-type: none"> ▪ Reviewed MPDs. ▪ Reviewed Open Enrollment Guide. ▪ Reviewed Employee Handbook. 	<ul style="list-style-type: none"> ▪ No exceptions noted. 	<ul style="list-style-type: none"> ▪ None. 	
<p>Eligibility and Participation: Surviving Spouse/Child of a Police Officer, Firemen or Volunteer Firemen Killed in the Line of Duty NRS 287.0477 NRS 287.021</p>	<ul style="list-style-type: none"> ▪ Reviewed MPDs. ▪ Reviewed Open Enrollment Guide. ▪ Reviewed Employee Handbook. 	<ul style="list-style-type: none"> ▪ No exceptions noted. 	<ul style="list-style-type: none"> ▪ None. 	
<p>Eligibility and Participation: Coverage of Newly Born and Adopted Children NRS 689B.033 NRS 287.04335</p>	<ul style="list-style-type: none"> ▪ Reviewed MPDs. ▪ Reviewed Open Enrollment Guide. ▪ Reviewed Employee Handbook. 	<ul style="list-style-type: none"> ▪ No exceptions noted. 	<ul style="list-style-type: none"> ▪ None. 	

SECTION F: SUMMARY OF FINDINGS—STATE LAW REQUIREMENTS (CONT'D)

STATE STATUTE	PROCEDURES PERFORMED	FINDINGS	COURSE OF ACTION REQUIRED	PEBP ACTION
<p>Eligibility and Participation: Applications for Participation in PEBP by Local Government Agencies NAC 287.310 NRS 287.010 NRS 287.017 NRS 287.025.1(a) NRS 287.040</p>	<ul style="list-style-type: none"> ▪ Reviewed Local Government Entity Application Instructions. ▪ Reviewed MPDs. 	<ul style="list-style-type: none"> ▪ In the 2014 and PY 2016 reports, Aon recommended that Quality Control procedures be developed to reflect PEBP's responsibilities regarding administration of the application process and responsibilities to the local government agencies, including the requirements of NAC 287.310(3), regarding providing a claims history report upon request and NAC 287.310(1), regarding the calculation of the nonrefundable fee to be deposited into the Fund for the PEBP. ▪ Aon again notes that the instructions are missing the provisions required by NAC 287.310 that the local governmental agency group must provide a statement that all terminal fees and costs associated with the previous health plan will be paid by that local governmental agency group. Further, the instructions state that a claims report will be provided to local agencies upon leaving the program; however, the statute states that this report should be provided at any time, within 90 days after receipt of the written request, with a charge to the agency for the cost of providing the report. Per PEBP during PY 2016 review, PEBP treats the application instructions as its procedures. Per PEBP conference call 8/3/2018 and 9/15/2020, PEBP confirmed the same process and treats the application instructions as its procedures. PEBP will update instructions if needed. 	<ul style="list-style-type: none"> ▪ None. ▪ None. 	
<p>Eligibility and Participation: Orientation Program NAC 287.314 NAC 287.317</p>	<ul style="list-style-type: none"> ▪ Reviewed MPDs. ▪ Reviewed Open Enrollment Guide. 	<ul style="list-style-type: none"> ▪ No exceptions noted. 	<ul style="list-style-type: none"> ▪ None. 	

SECTION F: SUMMARY OF FINDINGS—STATE LAW REQUIREMENTS (CONT'D)

STATE STATUTE	PROCEDURES PERFORMED	FINDINGS	COURSE OF ACTION REQUIRED	PEBP ACTION
<p>Eligibility and Participation: Terminating Interlocal Contract and Withdrawing from Program NAC 287.320 NAC 287.355 NAC 287.357 NAC 287.359 NAC 287.361 NAC 287.363 NAC 287.367 NAC 287.369 NRS 287.0479</p>	<ul style="list-style-type: none"> ▪ Reviewed MPDs. ▪ Reviewed Local Government Agency Application Instructions. 	<ul style="list-style-type: none"> ▪ Per conference call during PY 2016 review, there were then no opt-out plans maintained by local government agencies. Per conference call with PEBP on 8/3/2018 and 9/15/2020, there are still no opt-out plans. 	<ul style="list-style-type: none"> ▪ None. 	
<p>Eligibility and Participation: Opt-out Plan Administration NAC 287.371 NAC 287.373 NAC 287.375 NAC 287.379 NAC 287.381 NAC 287.383 NAC 287.385 NAC 287.387 NAC 287.389 NRS 287.010</p>	<ul style="list-style-type: none"> ▪ Reviewed MPDs. 	<ul style="list-style-type: none"> ▪ Per conference call during PY 2016 review, there were then no opt-out plans maintained by local government agencies. Per conference call with PEBP on 8/3/2018 and 9/15/2020, there are still no opt-out plans. 	<ul style="list-style-type: none"> ▪ None. 	
<p>Eligibility and Participation Definition of “Open Enrollment” NAC 287.085</p>	<ul style="list-style-type: none"> ▪ Reviewed MPDs. ▪ Reviewed Open Enrollment Guide. 	<ul style="list-style-type: none"> ▪ No exceptions noted. 	<ul style="list-style-type: none"> ▪ None. 	
<p>Benefits Coverage: Definition of “Plan Year” NAC 287.100</p>	<ul style="list-style-type: none"> ▪ Reviewed MPDs. ▪ Reviewed Open Enrollment Guide. 	<ul style="list-style-type: none"> ▪ No exceptions noted. 	<ul style="list-style-type: none"> ▪ None. 	

SECTION F: SUMMARY OF FINDINGS—STATE LAW REQUIREMENTS (CONT'D)

STATE STATUTE	PROCEDURES PERFORMED	FINDINGS	COURSE OF ACTION REQUIRED	PEBP ACTION
<p>Benefits Coverage NRS 287.0433 NRS 287.04062 NRS 695G.160 NRS 287.0485</p>	<ul style="list-style-type: none"> ▪ Reviewed MPDs. ▪ Reviewed Employee Handbook. 	<ul style="list-style-type: none"> ▪ No exceptions noted. 	<ul style="list-style-type: none"> ▪ None. 	
<p>Benefits Coverage: Reinstatement of Coverage by Retired Public Officer, Employee or Surviving Spouse NRS 287.0205 NRS 287.0475</p>	<ul style="list-style-type: none"> ▪ Reviewed MPDs. 	<ul style="list-style-type: none"> ▪ This provision relates to self-insured opt-out plans maintained by local governmental agencies. Per conference call with PEBP on 8/3/2018 and 9/15/2020, there are still no opt-out plans. 	<ul style="list-style-type: none"> ▪ None (outside scope of review). 	
<p>Benefits Coverage: Human Papillomavirus Vaccination, Screening for Colorectal Cancer, Screening for Prostate Cancer, and Screening for and Diagnosis and Treatment of Autism Spectrum Disorders NRS 287.027 NRS 287.0274 NRS 287.0276</p>	<ul style="list-style-type: none"> ▪ Reviewed MPDs. 	<ul style="list-style-type: none"> ▪ Relates to self-insured opt-out plans maintained by local governmental agencies. Per conference call with PEBP on 8/3/2018 and 9/15/2020, there are still no opt-out plans. 	<ul style="list-style-type: none"> ▪ None (outside scope of review). 	

SECTION F: SUMMARY OF FINDINGS—STATE LAW REQUIREMENTS (CONT'D)

STATE STATUTE	PROCEDURES PERFORMED	FINDINGS	COURSE OF ACTION REQUIRED	PEBP ACTION
<p>Benefits Coverage: Oral Chemotherapy Parity NRS 287.0278 NRS 287.04335 NRS 695G.167</p>	<ul style="list-style-type: none"> ▪ Reviewed MPDs. 	<ul style="list-style-type: none"> ▪ Under NRS 287.04335, NRS 695G.167 is made applicable to self-insured health plans. ▪ Applies to health plans providing coverage for both chemotherapy administered intravenously or by injection and orally administered chemotherapy. Monetary limits for orally administered chemotherapy must not be less favorable from other types of chemotherapy. A health plan is prohibited from meeting parity requirement by decreasing monetary limits (e.g., OOPs) for chemotherapy. A health plan that is not an HDHP is also prohibited from requiring copayment, deductible or coinsurance amount for orally administered chemotherapy in a combined amount that is more than \$100 per prescription. NRS 287.0278 and NRS 695G.167 contain similar provisions regarding coverage for chemotherapy administered orally. ▪ Both MPDs indicate that the health plans cover orally administered chemotherapy. 	<ul style="list-style-type: none"> ▪ None. 	
<p>Benefits: Coverage: Services Provided Through Telehealth NRS 695G.162 NRS 287.04335</p>	<ul style="list-style-type: none"> ▪ Reviewed MPDs. ▪ Reviewed Open Enrollment Guide. 	<ul style="list-style-type: none"> ▪ The NRS generally requires insurance to cover telehealth services to the same extent as services provided in-person or by other means. ▪ MPDs reflect COVID-19 related telemedicine provisions. 	<ul style="list-style-type: none"> ▪ None. 	
<p>Benefits: Coverage: Continued Medical Treatment NRS 695G.164 NRS 287.04335</p>	<ul style="list-style-type: none"> ▪ Reviewed MPDs. 	<ul style="list-style-type: none"> ▪ No exceptions noted. 	<ul style="list-style-type: none"> ▪ None. 	

SECTION F: SUMMARY OF FINDINGS—STATE LAW REQUIREMENTS (CONT'D)

STATE STATUTE	PROCEDURES PERFORMED	FINDINGS	COURSE OF ACTION REQUIRED	PEBP ACTION
<p>Benefits Coverage: Autism Spectrum Disorders NRS 695G.1645 NRS 287.0276 NRS 287.04335</p>	<ul style="list-style-type: none"> Reviewed MPDs. 	<ul style="list-style-type: none"> No exceptions noted. 	<ul style="list-style-type: none"> None. 	
<p>Benefits Coverage: Medically Necessary Emergency Services NRS 695G.170 NRS 287.04335</p>	<ul style="list-style-type: none"> Reviewed MPDs. 	<ul style="list-style-type: none"> No exceptions noted. 	<ul style="list-style-type: none"> None. 	
<p>Benefits Coverage: Required Provision Concerning Coverage for Human Papillomavirus Vaccine NRS 695G.171 NRS 287.0272 NRS 287.04335</p>	<ul style="list-style-type: none"> Reviewed MPDs. 	<ul style="list-style-type: none"> No exceptions noted. 	<ul style="list-style-type: none"> None. 	
<p>Benefits Coverage: Treatment Received as Part of a Clinical Trial or Study NRS 695G.173 NRS 689B.0306 NRS 287.04335</p>	<ul style="list-style-type: none"> Reviewed MPDs. 	<ul style="list-style-type: none"> No exceptions noted. 	<ul style="list-style-type: none"> None. 	
<p>Benefits Coverage: Required Provisions for Prescription Drugs Irregularly Dispensed for Synchronization of Chronic Medications NRS 695G.1665 NRS 287.04335</p>	<ul style="list-style-type: none"> Reviewed MPDs. 	<ul style="list-style-type: none"> No exceptions noted. Aon confirmed via email from ESI on 10/13/2020 that PEBP complies with HRS 695G. 1665 and NRS 287.04335 for 2020 as in prior plan years. 	<ul style="list-style-type: none"> None. 	

SECTION F: SUMMARY OF FINDINGS—STATE LAW REQUIREMENTS (CONT'D)

STATE STATUTE	PROCEDURES PERFORMED	FINDINGS	COURSE OF ACTION REQUIRED	PEBP ACTION
<p>Benefits Coverage: Required Provisions for Early Refills of Topical Ophthalmic Products NRS 695G.172 NRS 287.04335</p>	<ul style="list-style-type: none"> Reviewed MPDs. 	<ul style="list-style-type: none"> No exceptions noted. Aon confirmed via email from ESI on 10/13/2020 that PEBP complies with NRS695G.172 and NRS 287.04335 for 2020 as in prior plan years. 	<ul style="list-style-type: none"> None. 	
<p>Benefits Coverage: Required Provisions for Coverage for Prostate Cancer Screening NRS 695G.177 NRS 287.0274 NRS 287.04335</p>	<ul style="list-style-type: none"> Reviewed MPDs. 	<ul style="list-style-type: none"> No exceptions noted. MPDs make clear that this benefit is covered as preventive care service. 	<ul style="list-style-type: none"> None. 	
<p>Benefits Coverage: Claims Involving Intoxication NRS 689B.287 NRS 695G.405</p>	<ul style="list-style-type: none"> Reviewed MPDs. 	<ul style="list-style-type: none"> No exceptions noted. 	<ul style="list-style-type: none"> None. 	
<p>Benefits Coverage: Hearing Aid Coverage for Children NRS 689B.330 NRS 689B.425 NRS 695C.050 NRS 695C.330 NRS 287.010</p>	<ul style="list-style-type: none"> Reviewed MPDs. 	<ul style="list-style-type: none"> No exceptions noted. 	<ul style="list-style-type: none"> None. 	
<p>Benefits Coverage: Sickle Cell Anemia Treatment NRS 689A.330 NRS 689C.425 NRS 695C.050 NRS 287.010 NRS 287.04335</p>	<ul style="list-style-type: none"> Reviewed MPDs. 	<ul style="list-style-type: none"> No exceptions noted. 	<ul style="list-style-type: none"> None. 	

SECTION F: SUMMARY OF FINDINGS—STATE LAW REQUIREMENTS (CONT'D)

STATE STATUTE	PROCEDURES PERFORMED	FINDINGS	COURSE OF ACTION REQUIRED	PEBP ACTION
<p>Benefits Coverage: Gestational Maternity Care NRS 689A.330 NRS 689C.425 NRS 695C.050 NRS 695C.330 NRS 287.04335</p>	<ul style="list-style-type: none"> ▪ Reviewed MPDs. 	<ul style="list-style-type: none"> ▪ No exceptions noted. 	<ul style="list-style-type: none"> ▪ None. 	
<p>Benefits Coverage: Billing for Certain Medically Necessary Emergency Services NRS 683A.0879 NRS 689B.255 NRS 695A.188 NRS 695B.2505 NRS 695C.185</p>	<ul style="list-style-type: none"> ▪ Reviewed MPDs. 	<ul style="list-style-type: none"> ▪ No exceptions noted. 	<ul style="list-style-type: none"> ▪ None. 	
<p>Benefits Coverage: Prescription Drug Coverage under Medicaid and CHIP NRS 287.010 NRS 287.287 NRS 287.040 NRS 287.0433 NRS 683.178</p>	<ul style="list-style-type: none"> ▪ Reviewed MPDs. 	<ul style="list-style-type: none"> ▪ No exceptions noted. ▪ Per section 28.5, PEBP may use the list of preferred prescription drugs developed by HHS as its formulary and obtain prescription drugs through the purchasing agreements negotiated by HHS. 	<ul style="list-style-type: none"> ▪ None. 	

SECTION F: SUMMARY OF FINDINGS—STATE LAW REQUIREMENTS (CONT'D)

STATE STATUTE	PROCEDURES PERFORMED	FINDINGS	COURSE OF ACTION REQUIRED	PEBP ACTION
<p>Benefits Coverage: Coverage Regardless of Health Status</p> <p>NRS 689A.330 NRS 689A.417 NRS 689B.069 NRS 689B.275 NRS 689B.500 NRS 689B.550 NRS 689C.159 NRS 689C.190 NRS 689C.193 NRS 689C.198 NRS 689C.220 NRS 695B.193 NRS 695B.2555 NRS 695C.050 NRS 695C.173 NRS 695C.207 NRS 287.010 NRS 287.04335</p>	<ul style="list-style-type: none"> ▪ Reviewed MPDs. 	<ul style="list-style-type: none"> ▪ No exceptions noted. 	<ul style="list-style-type: none"> ▪ None. 	
<p>Funding Requirements: Non-retiree plans</p> <p>NRS 287.0435 NRS 287.0434 NRS 287.043 NRS 287.046</p>	<ul style="list-style-type: none"> ▪ Reviewed MPDs. ▪ Reviewed Board Procedures. ▪ Reviewed Employee Handbook. 	<ul style="list-style-type: none"> ▪ No exceptions noted. 	<ul style="list-style-type: none"> ▪ None. 	

SECTION F: SUMMARY OF FINDINGS—STATE LAW REQUIREMENTS (CONT'D)

STATE STATUTE	PROCEDURES PERFORMED	FINDINGS	COURSE OF ACTION REQUIRED	PEBP ACTION
<p>Funding Requirements: Retiree Plans NAC 287.485 NAC 287.490 NRS 287.017 NRS 287.043 NRS 287.0434 NRS 287.0436 NRS 287.04362 NRS 287.04364 NRS 287.046</p>	<ul style="list-style-type: none"> ▪ Reviewed MPDs. ▪ Reviewed Board Procedures. ▪ Reviewed Open Enrollment Guide. 	<ul style="list-style-type: none"> ▪ No exceptions noted. 	<ul style="list-style-type: none"> ▪ None. 	
<p>Funding Requirements: Payment of Premiums NAC 287.420 NRS 287.04385 NRS 287.043 NRS 287.044</p>	<ul style="list-style-type: none"> ▪ Reviewed MPDs. ▪ Reviewed Board Procedures. ▪ Reviewed Local Government Agency Application Instructions. 	<ul style="list-style-type: none"> ▪ NAC 287.420 provides penalties to be assessed in the event of nonpayment by the participating public agency. ▪ In previous reviews, Aon was told that specific procedures exist regarding the billing and payment of premiums by participating employers to the PEBP. <ul style="list-style-type: none"> ▪ Accounting Unit Policies and Procedures, Collections and Bad Debt Write-Off, provides a process overview and procedures for collection of past due group accounts. ▪ Per conference call with PEBP on December 20, 2016, and again in conference call on 8/3/2018, PEBP provided that procedures: (1) exist for billing/monitoring invoicing of local government entities; and (2) identify who is responsible for payment of invoices. PEBP provided that they would send procedures to Aon, and PEBP provided local government agency application instructions. These instructions did not address the above-referenced procedures. Aon requested copy of procedures on January 13, 2017. Per conference call with PEBP on January 20, 2017, PEBP: (1) confirmed that the same procedures apply to local government entities; and (2) provided that they identify by role (other than by name) who is responsible for payment of invoices. Per conference call on September 15, 2020, PEBP confirmed no changes. 	<ul style="list-style-type: none"> ▪ None. 	

SECTION F: SUMMARY OF FINDINGS—STATE LAW REQUIREMENTS (CONT'D)

STATE STATUTE	PROCEDURES PERFORMED	FINDINGS	COURSE OF ACTION REQUIRED	PEBP ACTION
<p>Funding Requirements: Direct Payment of Premiums for Retirees, LOAs Without Pay and LOAs due to Work Injury</p> <p>NAC 287.430 NAC 287.440 NAC 287.450 NAC 287.460 NRS 287.043 NRS 287.046 NRS 287.0439 NRS 287.0445</p>	<ul style="list-style-type: none"> ▪ Reviewed MPDs. ▪ Reviewed Section 125 Document. ▪ Reviewed Employee Handbook. ▪ Reviewed Open Enrollment Guide. 	<ul style="list-style-type: none"> ▪ No exceptions noted. 	<ul style="list-style-type: none"> ▪ None. 	
<p>Funding Requirements: Procedures Regarding Handling Over/ Underpayments of Premiums</p> <p>NAC 287.470 NRS 287.043</p>	<ul style="list-style-type: none"> ▪ Reviewed MPDs- ▪ Reviewed Section 125 Document. ▪ Reviewed PEBP Health & Welfare Wrap Plan. 	<ul style="list-style-type: none"> ▪ Not clear from MPDs whether in the event of an underpayment of premiums, PEBP notifies the applicable entity. Per conference call with PEBP on December 20, 2016, PEBP described their collections process. In the event of an underpayment of premiums, PEBP notifies the applicable entity. In the event of an overpayment of premiums, it is a net-pay situation; the next month's premium is reduced by a certain amount. Confirmed again with PEBP in conference call of 8/3/2018. ▪ Confirmed again on conference call of September 15, 2020. 	<ul style="list-style-type: none"> ▪ None. 	
<p>Subrogation to Rights of Officer, Employee or Dependent</p> <p>NRS 287.0465</p>	<ul style="list-style-type: none"> ▪ Reviewed MPDs. ▪ Reviewed PEBP Health & Welfare Wrap Plan. 	<ul style="list-style-type: none"> ▪ No exceptions noted. 	<ul style="list-style-type: none"> ▪ None. 	
<p>Claims and Appeals Procedures</p> <p>NAC 287.610 NAC 287.620 NAC 287.660 NAC 287.670 NAC 287.680 NAC 287.690 NRS 287.043 NRS 287.04335 NRS 689B.255</p>	<ul style="list-style-type: none"> ▪ Reviewed MPDs. ▪ Reviewed Section 125 Document. ▪ Reviewed PEBP appeals procedures. ▪ Reviewed PEBP Health & Welfare Wrap Plan. 	<ul style="list-style-type: none"> ▪ No exceptions noted. 	<ul style="list-style-type: none"> ▪ None. 	

SECTION F: SUMMARY OF FINDINGS—STATE LAW REQUIREMENTS (CONT'D)

STATE STATUTE	PROCEDURES PERFORMED	FINDINGS	COURSE OF ACTION REQUIRED	PEBP ACTION
<p>Claims and Appeals Procedures: Complaint System; Notice Requirements to Insured NAC 287.750 NRS 695G.200 NRS 695G.220 NRS 695G.230 NRS 287.04335</p>	<ul style="list-style-type: none"> ▪ Reviewed MPDs. ▪ Reviewed PEBP appeals procedures. 	<ul style="list-style-type: none"> ▪ No exceptions noted. 	<ul style="list-style-type: none"> ▪ None. 	
<p>Claims and Appeals Procedures: Notice to Insured; Expedited Review Process NRS 695G.210 NRS 695G.230 NRS 287.04335</p>	<ul style="list-style-type: none"> ▪ Reviewed MPDs. ▪ Reviewed PEBP appeals procedures. 	<ul style="list-style-type: none"> ▪ No exceptions noted. 	<ul style="list-style-type: none"> ▪ None. 	
<p>Claims and Appeals Procedures: External Review Process NRS 695G.241 NRS 695G.300 NRS 695G.310 NRS 287.04335</p>	<ul style="list-style-type: none"> ▪ Reviewed MPDs. ▪ Reviewed PEBP appeals procedures. 	<ul style="list-style-type: none"> ▪ No exceptions noted. 	<ul style="list-style-type: none"> ▪ None. 	
<p>Family Medical Leave Provisions NAC 284.52345 NAC 284.581 NAC 284.5811 NAC 284.5813 NAC 284.52315 NAC 284.5237</p>	<ul style="list-style-type: none"> ▪ Reviewed MPDs. ▪ Reviewed FMLA procedures. ▪ Reviewed Employee Handbook. ▪ Reviewed PEBP Health & Welfare Wrap Plan. 	<ul style="list-style-type: none"> ▪ No exceptions noted. 	<ul style="list-style-type: none"> ▪ None. 	
<p>Leave of Absence for Military Duty NAC 281.145 NAC 284.5875</p>	<ul style="list-style-type: none"> ▪ Reviewed MPDs. ▪ Reviewed Employee Handbook. ▪ Reviewed PEBP Health & Welfare Wrap Plan. 	<ul style="list-style-type: none"> ▪ No exceptions noted. 	<ul style="list-style-type: none"> ▪ None. 	

SECTION F: SUMMARY OF FINDINGS—STATE LAW REQUIREMENTS (CONT'D)

STATE STATUTE	PROCEDURES PERFORMED	FINDINGS	COURSE OF ACTION REQUIRED	PEBP ACTION
PEBP Board Authority and Duties NRS 287.04062 NRS 287.0415 NRS 287.0424 NRS 287.0426 NRS 287.043 NRS 287.0487 NRS 287.04335 NRS 287.0402 NRS 287.041 NRS 287.0434	<ul style="list-style-type: none"> ▪ Reviewed Board Procedures. ▪ Reviewed MPDs. ▪ Reviewed PEBP Quality Control Contracts Policies and Procedures. 	<ul style="list-style-type: none"> ▪ No exceptions noted. 	<ul style="list-style-type: none"> ▪ None. 	
Miscellaneous NAC 287.005 NAC 287.145	<ul style="list-style-type: none"> ▪ Reviewed MPDs. 	<ul style="list-style-type: none"> ▪ No exceptions noted. 	<ul style="list-style-type: none"> ▪ None. 	



By: _____

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Title: VP, Health Solutions Legal Consulting Group

Date: 10/29/2020