

11/18/2020

To: Fellow Members of the PEBP Board

From: David M Smith, PEBP Board Member

RE: Agenda Item 8 and specifically item 8.12

I am unable to attend the 11/23/2020 meeting but wish to state generally for the record my preference is that any negative plan changes implemented to offset a decrease in budget appropriations should be equitable to all participants, and not unevenly shifted to one group or another. I believe that items 8.5, 8.8, 8.9 and 8.12 unfairly shift costs to specific groups of participants and should not be considered (or ranked as viable) as presented.

I do wish to make a specific statement about agenda item 8.12. This item proposes the PEBP Board consider seeking a legislative change to remove pre-Medicare retirees from the plan as a cost-savings solution. I oppose this for several reasons, including personal ones.

For most of my 25-year career with the State, I have paid higher premiums to help offset the cost of pre-Medicare retirees whose claims experience have been commingled with active employees. Being on the cusp of retirement, seeing a formal proposal to shift costs by carving-out pre-Medicare retirees is unsettling to say the least. My career decisions have been based in part on the expectation that my service to the State included the benefit of access to reasonable health insurance as a State retiree.

Unlike the PEBP self-insured plan, insurers in the Exchange provide services with the purpose of making a profit. Placing pre-Medicare retirees into the exchange would greatly increase costs to this group and would also be exceptionally risky since the proposal relies in part on the Federal Government continuing to provide subsidies for lower income participants. From my perspective, carving out pre-Medicare retirees to save money for active employees would be a betrayal. I do not believe I am alone in feeling this way.

Secondly, the statutory commingling provision in NRS 287.043(2) was enacted to ensure the protection of retired State workers from having costs unfairly shifted to that group. Any effort to carve out pre-Medicare retirees from the plan will face fierce opposition and certainly fail in the legislature.

I strongly urge the Board to resoundingly reject any notion of "un-doing" the commingling provision and focus on cost-reduction areas that are equitable to all participants.

DSM

From: Georgia Y Grundy [REDACTED]
Sent: Thursday, November 19, 2020 1:56 PM
To: Wendi Lunz <wlunz@peb.nv.gov>
Subject: public comment for PEBP board meeting

PEBP Board:

I just received notification of the board meeting so I hope that this comment will be considered to have arrived in time. I am not sure if item 8 on Monday's meeting agenda is up for public comment. If so, I would like to comment.

I see that possible elimination of the long term disability benefit is being considered. I would like to argue in favor of retaining that benefit. Eliminating the long term disability benefit would not only affect the member but potentially many more people – the member's family and other loved ones. Being a long time care giver myself, in addition to working full time in the NSHE system, I know firsthand how very difficult, demanding (and sometimes almost impossible) care giving for someone with a disability can be. If more people had the option of long term disability benefits it would prevent so very many family members and friends from the devastation of having little, if any, support to care for a disabled loved one. Losing that benefit option would cause financial harm to the caregiver(s) as well as the community as a whole. Caregivers almost always have lost wages as well as declines in their own health due to lack of financial support of a disabled loved one. Many, especially female caregivers, find themselves having to reduce or give up their own employment in order to care for the disabled person, since hiring professional caregivers is often prohibitively expensive in the absence of long term disability insurance. This affects their current and future financial situation as well as denies the community the value of their work. Also, myself, and many others opted into the PEBP long term disability benefit many years ago. Now that we are older, finding another, affordable option for this kind of benefit will likely be impossible.

I also want to comment in favor of retaining the basic life insurance benefit and also retaining the best possible dental care plan as well. I am fairly certain that many, possibly most, members who have opted in to these benefits, would prefer to pay a slightly higher premium in order to retain these benefits (I realize higher premiums are never welcome, perhaps a higher premium could be temporary – until Nevada has recovered from the current financial crisis?)

It is vital that we maintain a healthy workforce and a healthy community for the long term benefit of NSHE and all the entities that rely on Nevada public employees, as well as for the state of Nevada, as a whole.

Thank you,
Georgia Grundy

From: Sevier, Scott [REDACTED]
Sent: Thursday, November 19, 2020 4:23 PM
To: Wendi Lunz <wlunz@peb.nv.gov>
Subject: Public comment for PEBP Board Meeting, Monday, Nov 23, 2020

Public comment for PEBP Board Meeting Monday, November 23, 2020, as follows:

Dear members of the board,

I would like to make public comment regarding the proposed changes to the PEBP benefits plans for PY22. I will not comment on all proposed plans, but only on that plan for which I have experience, namely the Consumer Driven High Deductible (CDHP) plan. I have two major areas of concern:

The first area of concern I have relates to the changes proposed to the deductible and out of pocket (OOP) maximum: As indicated by the name, this plan already has a very high deductible (currently, for my family of five, it is \$2800 for each individual or \$3000 for the family). In its current state, this hardly constitutes an actual health plan, but rather a catastrophic illness and/or injury plan. In the years my family has had this plan, we have only ever met the deductible one year – the year my spouse had three major surgeries in one calendar year. Other than that, we typically end up paying for most of our medical expenses out of pocket. The financial damage this already causes is mitigated by the fact that at least the out of pocket maximum for families is currently \$7,800. The new proposal would have our deductibles raised to \$2850 per individual and \$4,000 for the family. Additionally, it would raise our out of pocket maximum to \$12,000. This is a huge loss of protection and benefit to our family.

The second area of concern I have relates to the changes proposed to the HSA employer contribution: Under the current plan, the employer contributes \$700 to the HSA account each year for the employee plus an additional \$300 per dependent. As an employee with a spouse and three children, this means that my employer makes a substantial contribution to my family's HSA account each year. This is no small benefit given the concerns I have already raised regarding the high deductible and out of pocket maximums (for the current plan). The proposed plan not only raises my deductibles and my out of pocket maximums, but at the same time it greatly slashes the employer contribution to the HSA account which, to date, is one of the only aspects of this healthcare plan that keeps my family from financial ruin due to medical expenses. The proposed rate is now \$300 per year across the board, regardless of the number of individuals who are dependent upon the plan. A single employee with no one else dependent upon their medical coverage will receive the exact same amount per year (\$300) as will my family of five (\$300). This seems to put an unfair burden on families at the exact same time when the deductibles, out of pocket maximums, and presumably therefore the yearly medical expenses are increasing dramatically.

I implore the board to reconsider these changes to the PY22 budget. It is already well known that the state of healthcare in Nevada is terrible. It was before the COVID pandemic, and

resources are stretched much thinner now. Costs are high, wait times are long, and service is less than stellar (when it is finally available). I recognize that the STATE is seeking to cut expenditures wherever possible due to loss of revenue due to the pandemic. However, the same losses have been experienced by the employees of the state as well (except that the resources that an individual or individual family can draw upon to weather this financially uncertain storm are drastically more limited than those available to the institutional juggernaut that is the state), and the proposed plan would deal an unsustainable blow to a great many families who depend upon this coverage. Again, with these considerations in mind, I implore the board to reconsider these changes.

Thank you,

Dr. Christopher Sevier

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C. Scott Sevier, PhD
Professor of Philosophy
Social Sciences | Philosophy
College of Southern Nevada



From: Kelsey George [REDACTED]
Sent: Thursday, November 19, 2020 5:18 PM
To: Wendi Lunz <wlunz@peb.nv.gov>
Subject: Comments on the agenda for the PEBP board meeting Monday November 23rd

Hello,

For the record, my name is Kelsey George. I am writing concerning the proposed cuts to the PEBP plans for FY2022. I am a little frustrated that we were only given notice to provide written comments for the November 23rd meeting on the same business day that comments would be due, and cannot help but to feel as if this was an intentional decision on behalf of PEBP. As a full-time employee covered under the PEBP health insurance with pre-existing conditions, I am greatly concerned by the potential slashing of our health benefits in the upcoming fiscal year. Having solid health insurance allows me to maintain the care I need in order to work full-time, and inadequate health insurance may cause me to seek employment at another institution simply because it is vital to my survival and I may have no other choice.

I am ignorant in the nuances of medical insurance plans, despite processing insurance for a medical office, and I obviously do not know what the board of PEBP deals with on a daily or annual basis. I do not understand the real impact of what unbundling the dental premium, or other such possible reductions/eliminations will have on the Nevada community served by PEBP. In the short time period that I have been given to comment on the agenda, I have not been allowed the time to research the matter with due diligence and will admit that most of my commentary is reactionary. I am disturbed that during a pandemic that has already cost the lives of almost 2,000 Nevadans, and that is suspected to cause long-term health impacts, that PEBP is considering removing long-term disability insurance and potentially removing life insurance policies for workers. I simply do not know what this means in terms of the offerings of long term disability and life insurance plans for us, if they will be available through other health care providers or if we will simply have to do without? I am also very concerned about the potential impact to subsidies received by retirees and Medicare Part B participants, as they are a vulnerable population in our society and the financial impact on our elderly could be dire.

I do not know what the right way to set aside \$36 million dollars in budget reserves is when designing a healthcare plan, and I do not envy you your roles in deciding where these cuts will come from. I can only implore you to remember the real human impact that these cuts will have on individuals and families across Nevada who rely on PEBP for access to medical care that keeps us alive--and hope you choose cuts with compassion and wisdom.

Thank you for your time,
Kelsey

From: Beckstrand, Scott [REDACTED]
Sent: Friday, November 20, 2020 2:50 PM
To: Wendi Lutz <wlunz@peb.nv.gov>
Subject: Benefit Plan Change Proposals

I am appalled at the benefit changes proposed for approval. Not only are we having our pay reduced, now our benefits costs are also being increased severely.

It seems we are not only the step children, but the unwanted ugly step children. Where do we get the money to pay for these increases with our pay being reduced because of the very poor decisions that have so badly affected our State's economy?

We have worked very hard to answer the call to provide for our students during this difficult time and are being rewarded for all the hard work through lower pay and higher costs.

Dr. Scott Beckstrand

From: Margaret Rice [REDACTED]
Sent: Friday, November 20, 2020 4:48 PM
To: Wendi Lunz <wlunz@peb.nv.gov>
Subject: Public Employees' Benefits Program Meeting

To Whom It May Concern:

I am shocked that I JUST TODAY heard about your meeting thru a fellow employee. Why aren't ALL of the employees notified of these?

The taxation department is already facing budget cuts and all departments are facing furloughs and no of cost of living increases for the next fiscal year. Please **do not** increase our insurance premiums or eliminate any of our benefits. Health insurance premiums have already increased this last year. How are families expected to eek out a living if our benefits and pay are continually being cut? What is next?

To cut any Medicare benefits would be a complete disaster. There are employees who have worked for the State their entire working life and have no other benefits than what they currently receive.

Thanks,

Margaret "Margo" Rice

[REDACTED]

From: Erica Scott [REDACTED]
Sent: Friday, November 20, 2020 5:37 PM
To: Wendi Lunz <wlunz@peb.nv.gov>
Subject: Taxation Employee Statement for PEBP Meeting

Hello,

My name is Erica Scott and I am a Revenue Officer with the State of Nevada Department of Taxation. I am submitting a comment for consideration during the upcoming budget meeting.

The proposed reduction (and in some cases elimination) of benefits is pretty shocking for employees already dealing with so many cuts coming. State employees are already facing furloughs, pay freezes and hiring freezes meaning we're doing more work for less pay. On top of that, now benefits are suggested to be cut? So employees with less income will be expected to pay more for getting sick in the middle of a pandemic? I really urge further reflection on budget reviews here and request the medical, disability and death benefits for our state workers not be reduced and/or eliminated as proposed.

Thank you.

Sincerely,
Erica Scott
Revenue Officer II

From: Soltz, Steven [REDACTED]
Sent: Saturday, November 21, 2020 8:30 AM
To: Wendi Lunz <wlunz@peb.nv.gov>
Subject: Changes to PEBP

It is understandable that changes need to be made under the current economic environment. I know you will do what you have to do. I just want to say, that medical and dental benefits are always primary to the satisfaction of employees in their evaluation of work environment. CSN faculty have long suffered economic disparity when compared to others in this state and outside. Doing what you can do keep benefits with low cost, while providing comprehensive coverage, will go a long way to keep a positive work environment.

I also am glad to see the proposal to unbundle the dental coverage. I hope this will allow me to once again see my dentist of 14 years without major out of pocket expense.. He currently stopped accepting the insurance under the current plan.

Finally, I would ask that you look into ways to reduce the cost for those who are not big healthcare consumers. What I mean is that, some of us rarely use doctors or hospitals, and it seems we have to subsidize those who do. Of course that is how healthcare works, isn't it. However, many of these individuals have chronic health issues due to obesity, or smoking, which are clearly preventable.

Perhaps a system can be set up to reward those who try to take care of themselves and have minimum use of the healthcare system.

Sincerely,
Steve Soltz C.H.E.
Chef/Professor
CSN

November 12, 2020

To the Public Employees Benefits Board:

I am writing this in response to your intended agenda for your November 23, 2020 meeting.

I have several issues that I take major exception to that will be affecting Me big time.

I will list them and deal with my issue with them one at a time.

The first and probably the most critical to me personally is:

8.12 The transition of Non-Medicare Retirees to the Silver State Health Ins Exch

I started my 30 year career with the State of Nevada March 1960, at age 17; at the then Dept of Hwys later known as Dept of Transportation , Medicare came into being during my early years there. I was told by my father to be sure that I signed up for Medicare . However, that was when I found out that the State of Nevada wasn't participating in it. To make a long st ory short I kept trying to get onto Medicare until I was taken down to the front office and was told by Grant Bastia n; the then head of NDOT and several other higher up individuals that if I stayed my 30 years that they (the State) would take care of my Health Insurance. I was al so told if I didn' t like that answer that I should Not let the door hit me in the rear on my way out!

I retired November 1989 with my 30 yrs in. When I turned 65 I signed up for Medica re only to find out that I did not qualify for Part A. The state had put me with the under 65 retirees to provide Major Medical coverage, for which I am very thankful.

However you are now proposing to move me to the Silver State exchange. I have checked into this and have found out that if you do this I will be paying extremely high rates because I do not qualify for any discount. The cheapest plan is the Bronze which is a 40/60 split and will cost me approximatel y \$1100 a month. I am including a attachment to this for your information. In order to receive the same coverage I have now which is a 20/80 split the Gold and that will cost me over \$1800 a month and I do not qualify for Medicaid!!!!!!

Your example using a 56 year old retiree isn't correct most if not all retirees will be at least 65. The plans you are quoting are County, Income & Age based so to give you what I personally will have to deal with is: I live in Churchill county and I make between 40 & 45k a year and I am 78 years old not 56 and as suc h I will have to pay over \$1809 a month in order to receive what you are proposing to take from me. I thin k the attachment I have sent clarifies thi s.

I do NOT have that kind of disposable income for even the cheapest plan!!!. So I have NO idea how I'm going to get any affordable Major Medical coverage!!!

I am now 78 years of age and do not feel that I and those in the same sit uatio n should be put in this position because the State of Nevada decided 50 or 60 years ago to not participate in the Medicare program. If my information is accurate I qualify to get Medicare Part A free if I work 40 quarters or 10 year s under Social Securit y; I have worked 30 years for the State of Nevada which is 120 Quarters . It is because of the State of Nevada that I don't, so it is my opinon that the state should put their BigBoy Pants on and approach Medicare or whoever is in cha rge of the Part A & B stuff and work some type of arrangement out for not only me but the others that may be in this situation, so that we will be able to have Major Medical coverage . Because it wasn't by our choice that we were not in the program...and we have all worked at least the 40 required quarters!!! I am unable to return to work full time for 10 years to pay for Medicare taxes to be eligible for Part A & B.

If you take away my ability to get affordable Major Medical coverage you will be taking away my quality of life so not only can this be viewed as Age Discrimination but as a form of Genocide as well.

The second most critical to me is:

8.8 Possible elimination of the Medicare Part B subsidy

As a retired 30 year State Employee, the State of Nevada currently gives me \$135.50 premium credit (which only covers 20 years of my service so to start with, it is 10 years shy of my actual service) however I am grateful for the premium credit given. However, if you take that away then I will be paying approximately \$235 more a month which will reduce my retirement income and when you raise our premiums even more due to the current budget woes I will be receiving an even bigger cut to my income. I am a 78 year old widow already living on a very restricted income and at my age there is no possibility of earning more so it will make my life even more difficult. If you reduce or take away my Part B subsidy that currently helps me afford my medical insurance premiums; my retirement income will take even a bigger hit.

The third most critical to me is:

8.6 Reduction or elimination of Basic Life Ins

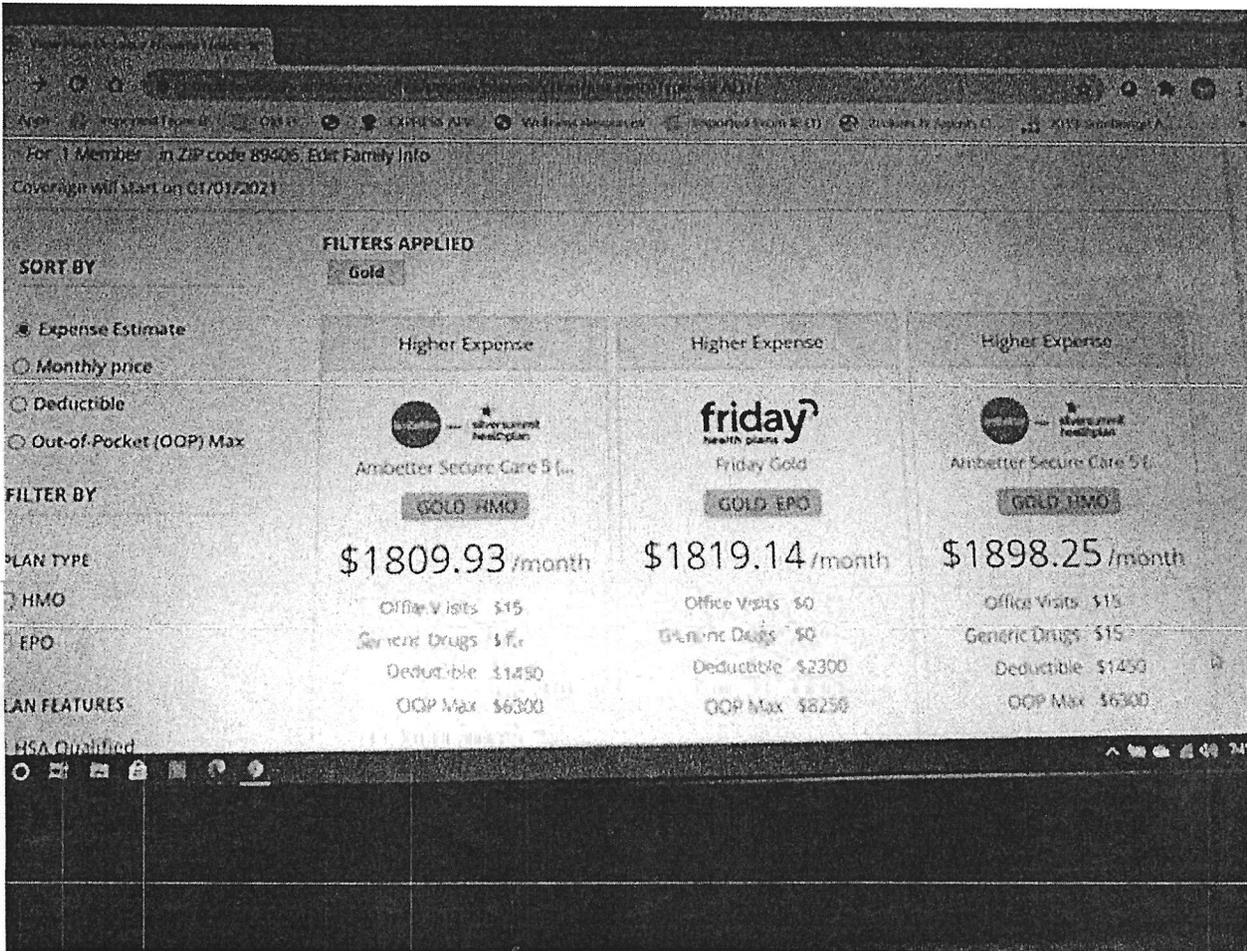
Again as a 78 yr old widow I have NO possibility of getting any more Life Insurance; this Insurance has bounced up and down thru the years. Because of that I was able to buy an extra SK when it was offered several years ago in order to leave my family some funds with which to bury me. It isn't much in this day and age but if you eliminate or cut it back so severely I am in a quandary as to what options are available to me at my age. I have had recent first hand experience in dealing with this situation. I would hope that each of you could put yourselves in this position in order to decide what to do.

In closing I would like to say that I understand about the current budget constraints. I also would hope that you will be able to find other places that can be cut without "gutting" a majority of my benefits that I worked for 30 years. The State of Nevada made the decision not to participate in the Medicare program. By making such drastic changes to the benefits program, I view this as Age Discrimination and it will cause me at age 78 and others to have a lower quality of life. I am Unable to earn more income or buy more life insurance and the Major Medical coverage will be nonexistent.

I am looking forward to a positive solution to this situation and I Thank you for your consideration in this matter

Margarethe L. Miller "

[Redacted signature block]



This was done with my Birth date, Income, Zip code



From: Lynne Foster [REDACTED]
Sent: Saturday, November 21, 2020 3:15 PM
To: Wendi Lunn <wlunn@peb.nv.gov>
Subject: Comments for 11/23/2020 Board Meeting

Dear Members of the Board,

I apologize for the late submission of comments; if they cannot be incorporated into the 11/23/2020 board meeting, please make them a part of the next meeting.

I am deeply concerned about the impacts of the changes under consideration for retiree health benefits.

I support Board Member David M. Smith's comments, and add the following:

Removing long term disability benefits removes a safety net that many never consider they will need. Employees in public service are, other than in exceptional circumstances, not able to draw upon Social Security Disability Benefits. My husband and I both served the state of Nevada until an unexpected and catastrophic health event required him to take an early retirement during his prime earning years. I had to retire soon after to care for him. Were it not for the long-term disability benefit, our financial burden would be significant. Consider that some in this situation would need to resort to public assistance, putting further strain on state resources.

Retirees in our situation (both pre-Medicare) have no opportunity to "make up" any deficits in our budgets through other means. Removing the \$135 credit for retiree Medicare benefits, reductions to Medicare contributions by the state, and removing coverage for dependents of retirees are all scenarios that would create significant hardship for retirees in our situation.

I urge that cuts not be skewed to retirees, whose voice is likely less strong than active employees, who have "paid their dues" as Mr. Smith alluded, and who have planned (as best they can) on the basis of the benefits package available at retirement.

Thank you for your consideration.

Sincerely,

Lynne D. Foster

From: Douglas Unger [REDACTED]
Sent: Sunday, November 22, 2020 11:27 AM
To: [REDACTED] Wendi Lunz <wlunz@peb.nv.gov>
Subject: Public Comment -- Letter -- for November 23, 2020 PEBP Board Meeting --

Dear Laura Freed, and Public Employee Benefits Board, and Laura Rich & Wendi Lunz --

Thank you for reading, and for including, the attached .pdf Public Comment letter to the PEBP Board for the November 23 PEBP Board meeting. A group of us are proposing a compromise solution to the budgetary issues that you will face tomorrow, submitted in good faith and hopes these measures may provide some alternative options for agenda item #8. Thank you for your strong consideration of what some of us feel could be a fair compromise that still meets the GFO's 12% budget reduction mandate.

Thank you for your service, and with all best wishes --

-- Doug Unger



TO: Laura Freed, Chair, and Public Employee Benefits Program Board

FROM: Douglas Unger, Member, UNLV Employee Benefits Advisory Committee, &
President, UNLV Chapter, Nevada Faculty Alliance

RE: Agenda Item #8: PY 22 Plan Design & FY 22/23 Budget Reserve Proposals

PUBLIC COMMENT – PEBP BOARD MEETING – NOVEMBER 23, 2020

Doug Unger, Member, UNLV Employee Benefits Advisory Committee, & UNLV Chapter President, Nevada Faculty Alliance, speaking individually, and for the record:

First, I wish to express sincerest gratitude to Executive Officer Laura Rich for her courtesy and outreach in reviewing potential PEBP actions with state employee advocates. Thank you to the PEBP Board for your serious consideration of possible alternatives for actions on agenda item #8, which, taken all together, can and will radically diminish health and other benefits for state employees for years to come. Some advocates most strongly say that they cannot condone any further cuts in healthcare and other benefits, citing the baleful history of our state that, whenever it experiences budget distress, it looks to employee salaries and benefits to make up the difference, eroding away our wellbeing and security, and worse, betraying trust that seriously affects the morale of current employees and makes hiring and retention of quality state workers, including higher education faculty, more difficult in the future. Frankly, faculty are divided in what stance to take—to demand no cuts at all and toss these proposals straight back to Governor Sisolak and his finance office as too much to bear, especially during a pandemic; or to understand that our state is in such dire budgetary condition that we must absorb cuts, and so propose to this hard-working, well-meaning Board a compromise proposal that demonstrates our good will as state employees and citizens to help Nevada to weather this crisis. Concerned as I am that whatever benefits cut today may never be restored, I stand with the advocates who propose a compromise, which is to revise somewhat the action items you will vote on today. Generally, we ask the Board to modify budget reduction proposals to spread the pain, so to speak, more evenly among categories of PEBP members. We propose actions that contribute about one-third of the \$36 Million per year in reductions from three plan pathways—plan design, cuts to existing benefits, and by adding a COVID-19 surcharge to premiums:

For agenda item 8.1: we request most strongly that the deductibles and out-of-pocket maximums in ALL the proposed new plan design changes be re-set at current levels – \$1500/\$3000 and \$3900/\$7800 for the CDHP plan; and for the EPO and HMO plans, \$0 and \$7150/\$14350 respectively. We recommend that the new PPO plan also lower deductibles and out-of-pocket maximums. Further discussion and actuarial analysis will be necessary to determine precisely how much such deductibles and maximums may be lowered, but we believe this re-set plan design, with slightly revised premiums, should contribute between \$12 Million and \$13 Million to the budget crisis reductions (as opposed to the currently proposed \$20.1 Million). In order properly to consider these new re-set plan designs, we request that the PEBP Board delay its consideration and vote until its January meeting, when budget savings amounts will be clearer, and after the December 3rd report of the Economic Forum further clarifies state revenues.

For agenda items 8.2 through 8.12, we propose *only* the following actions:

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- To accept the proposed change in 8.2 for negotiated billed charges;
- To accept the 8.3 Smart 90 Prescription changes for the EPO & HMO;
- To implement 8.4, the 30 day Express Advantage Network;
- For 8.5, to lower the HRA contribution for retirees from \$13 to \$12 per month per year of service, with the understanding this \$1 per month reduction can be restored;
- To lower the life insurance benefit in item 8.6 to the \$20,000-\$10,000 levels;
- For 8.10, to unbundle the Dental Premium with additional charges but with a provision that dental care will be automatically included in all policies with an “opt out” choice.

These proposed revisions should save the plan \$10.5 million of the requested \$36 Million per year of requested budget reductions from the Governor’s office.

Please note: state employee advocates are unanimously opposed to implementing any of the actions outlined in agenda items 8.7, 8.8, 8.9, and 8.12, as we consider all of these to be unconscionable and unethical breaches of promises and violations of trust. Eliminating Long-Term-Disability coverage in a state system that has opted out of Social Security disability for its employees is too cruel to contemplate; the other provisions will upend entirely retirement plans and existing retirements, causing unanticipated financial distress; and even to consider dumping non-Medicare retirees off into an insurance exchange the very future of which hovers in doubt because of shifting federal policies is draconian in the extreme. We also believe this change would cause more state employees who might plan to retire early to remain at their jobs until Medicare age, thus costing the state even more in higher senior level salaries than it would save by PEBP casting them aside into a chaotic and uncertain future. Even to see this proposed at all shows a scandalous potential disavowal of promises made to state employees who have put in decades of good service to our citizens. Please do not consider passing any of these actions.

For agenda item 8.11, we ask the Board to consider implementing a COVID-19 pandemic surcharge to monthly premiums of between \$35 and \$37.50 per enrolled state employee, with language stipulating that this COVID-19 surcharge is for one year only, renewable by a vote of the PEBP Board only if the current pandemic budget crisis in our state continues. Also, should Nevada receive any future federal funds to address the COVID-19 crisis, this surcharge for our PEBP premiums should be earmarked by the Governor’s Office to be among the first emergency budget measures to be eliminated. We calculate that a COVID-19 surcharge in this amount should contribute an additional \$13 to \$13.5 Million that should make up the difference to meet the 12% budget reduction mandate of \$36 Million per year by the Governor’s Office.

Compromise means working out differences to accommodate the desires and interests of many for the benefit of all. We know a just compromise when we see it or hear it, and we hope you see and hear the balance and fairness in this three pathway action plan we propose for you to meet the challenging budget demands you must act on today. Thank you for your consideration, and thank you to Chair Freed and all on the PEBP Board for your service to our state –



Douglas Unger – E-mail: [REDACTED]

From: Jacquelyn Bonde [REDACTED]
Sent: Sunday, November 22, 2020 2:52 PM
To: Wendi Lutz <wlunz@peb.nv.gov>
Subject: Public Employee Benefits Program

To whom it may concern:

Please do not cut public employee's benefits. As the cost of living continues to rise with little chance of raises in the imminent future, and in light of the covid 19 pandemic, these health benefits are of even more importance. Please continue to invest in the health of public employees and their families.

Do not cut public employee benefits!

Thank you,

Jacquelyn Bonde

From: WILLIAM DUTTON [REDACTED]
Sent: Sunday, November 22, 2020 5:31 PM
To: Wendi Lunz <wlunz@peb.nv.gov>
Subject: Pebp decrease in benefits

As a state employee and PEBD member it truly saddens me that in these times of peril and need for affordable and good medical coverage that the state would try to lessen our coverage, do away with our life insurance and increase rates. I have worked throughout this pandemic and helped others to insure they had medical coverage. While I approved others for free medical, I work hard to have good coverage, and you want to take this away. Shame on the state for treating hard working employees like this.

I truly hope that you do not take these actions to decrease our benefits, take away our life insurance, change when we can retire or increase our rates. The satay should take care of their employees!

Stacy Dutton

From: Raya Peters [REDACTED]
Sent: Sunday, November 22, 2020 6:52 PM
To: Wendi Lunz <wlunz@peb.nv.gov>
Subject: Public Comment for 11/23 meeting.

Good afternoon,

I'm a 13 year state employee, and second generation state employee. Both of my parents worked for the state of Nevada, my mother still does. My grandfather worked for state employment in California. Public service is something that I grew up believing to be a worthy cause; a cause that came with certain protections and benefits.

My mom started with the state in 2001 and at that time, she remembers paying \$15 a month for insurance. That premium generated such a surplus that the month of July didn't require payment. My premium now is significantly more than that to cover my husband and myself.

I am a high risk individual with preexisting conditions. I am currently 6 months pregnant with my first child. These proposed reductions and possible elimination of benefits will severely impact my quality of life, not to mention that of my unborn child. My mom is looking at retirement, and these changes will severely impact her ability to do that. Despite her medical condition and complications associated with it, she may not be able to consider retirement for a few years.

These potential changes as well as others make it seem like I made the wrong choice 13 years ago to pursue state employment. I don't know if I would encourage my child to pursue employment with the state if we continue to bear the brunt of fiscal shortfalls. The loss of longevity pay, step freezes, years of furloughs, rising costs of insurance and minimal cost of living increases are not the benefits I read about in the employee handbook when I began this journey.

Thank you for considering public comments before making decisions on cuts that drastically impact your peers and neighbors.

Sincerely,
Rachael Peters

From: Larry Pawelczyk [REDACTED]
Sent: Sunday, November 22, 2020 8:17 PM
To: Wendi Lunz <wlunz@peb.nv.gov>
Subject: Public Comment for the PEBP Board Meeting on November 23, 2020

Dear Members of the PEBP Board

I am recent a pre-Medicare retiree with a career including and ending with 17 years as a loyal and long-serving State employee. I am writing to express my concerns regarding the proposed cuts to PEBP benefits, in particular the proposal to shift the pre-Medicare retirees from the current plan to the Silver State Insurance Exchange. I have based my career decisions including my recent retirement on the availability of fair, reasonable, and adequate health insurance. This would change drastically if item 8.12 is implemented.

The viability of the various the state insurance exchange programs (Nevada and the other states) is problematic. The future of federal subsidies for lower income individuals and the current pre-existing condition guarantee is questionable.

In addition, there are 692 pre-Medicare retirees living outside of Nevada (per the Plan Year 22 Plan Design Recommendation report). I suspect that the rates for many, if not most, of this group will be higher than those that are discussed in the report. I am a current resident of Illinois. I checked the applicable plans and rates for my area and reference the following plan for comparative purposes - Gold level plan with a \$2,200 deductible and \$8,550 Max Out-of-Pocket for a monthly premium of \$1,125 per month. Please note that the current CDHP plan provides for a \$1,500 deductible and \$3,900 Max Out-of-Pocket. Taking into account the proposed subsidy from the state based on years of service, I would now have to pay \$388 per month for a much lesser plan. As a retiree with limited disposable income, this will drastically effect my way of life, financial well-being, and viability. Moreover, the example presented per the Plan Year 22 Plan Design Recommendation report (56 year old retiree with 20 years of service) shows increased rates for individuals residing in most geographical areas of Nevada: Reno \$163.35; Carson City \$315.78; and Elko \$537.98. I believe the numbers speak for themselves and the proposed changes would be devastating for a significant number of retirees (both in Nevada and outside the state).

I certainly agree with the comments previously put forth by Mr. Smith and the many others regarding the implementation of this proposal.

Thank you for your consideration.

Cordially,

Larry Pawelczyk

From: Concepcion Martinez [REDACTED]

Sent: Sunday, November 22, 2020 6:15 PM

To: Wendi Lunz <wlunz@peb.nv.gov>

Subject:

Please do not reduce our PEBP benefits. In the midst of this pandemic, I am grateful to be employed and be able to afford a living. But I am also affected as I feel emotionally drained as I am an essential worker. Beginning January, we will be taking furloughs and that already is going to have an impact on my family. Now, reducing these benefits will add to that. Please reconsider your decision.

From: Louise G [REDACTED]
Sent: Monday, November 23, 2020 7:56 AM
To: Wendi Lutz <wlunz@peb.nv.gov>
Subject: Reductions.

To those concerned,

I have been working for the state for 10 years now. I understand our states financial difficulties. However, I am told to work for less, work harder and in January looking at furlough. Now benefits being reduced. I was told we are essential but treated as dispensible. They need to find a better solution than taking, again from employees.

From: ZARAH MARTINEZ [REDACTED]
Sent: Monday, November 23, 2020 7:56 AM
To: Wendi Lutz <wlunz@peb.nv.gov>
Subject: Comment

Please hear our voices....as a state employee I feel so undervalued and discouraged. Our morale is under the sink . I feel like we have responded positively to the need of this State and Country by helping through this pandemic and in return we get the worse. While most of our customers (within the Division of Welfare and Supportive Services) get free medical through this pandemic, our medical premiums went up. A lot of us, including myself, cannot afford the high costs of premiums. Not to mention, we can't even afford to add my husband at all on my insurance due to the high premiums. Regardless of all this, I was still assisting other families as it is my pleasure and job. However seeing all these cuts, really discouraged me. It is devastating on some families like mine. Please think about us, so that we can keep working.

From: nevadabren [REDACTED]

Sent: Monday, November 23, 2020 7:58 AM

To: Wendi Lunz <wlunz@peb.nv.gov>

Subject: Really you are going to raise our rates and lessen our benefits!! We have to start furloughing in January which means are pay goes down now this too! We can send out millions monthly in extra food stamps. extend full medicaid to everyone even if they ...

This is sooooo wrong!

From: Shereen Hale [REDACTED]
Sent: Monday, November 23, 2020 8:10 AM
To: Wendi Lunz <wlunz@peb.nv.gov>
Subject: PEBP Meeting...my comments

As an employee and someone who is eligible for future benefits, I feel this type of cost cutting is unacceptable especially in our current times. We should be coming together and trying to support each other not trying to find ways to save a quick buck. It seems we as a society have no problem finding ways to give more money to those on the system/welfare but can't seem to find ways to help our employees and those administering the system. We are already looking at furloughs in a couple months and feeling the hit we take with regard to paying taxes not to mention the economy is in a downward spiral. This type of cost cutting agenda in my opinion is opportunistic and a slap in the face for the hard work your employees are doing.



Shereen Hale
Family Services Specialist II



"Working for the Welfare of ALL Nevadans"

Good morning.

My name is Donna Healy and I am here as a UNR classified employee and a member of the NSHE Classified Council Executive Board.

Regarding the need for PEBP for determine how to formulate a 12% cut, I request that consideration be given to the following:

1. Create all budget changes due to COVID-19 as an **emergency, temporary COVID-19 surcharge to be authorized for the first year of the biennium only**. With the recent increase in health insurance premiums and the 4.6% furlough pay cut, it would be harmful and possibly financially devastating to classified staff if imposed as permanent cuts to benefits and or premium increases.
2. Keep in mind that any increases in premiums and decreases in coverage would be the most harmful to your lowest paid and sick classified employees with the average pay of around \$40K a year. Imagine facing the challenges of managing a family's or individual's expenses at that income level, especially if having to pay the medical costs related to an existing illness.
3. Of all the benefits reductions under consideration, please do not un-bundle dental coverage from health coverage. With a restrictive budget, many people will not elect to keep their dental coverage. With dental health being integral to one's overall good health, not having preventative regular cleanings and exams could be detrimental to overall health and inevitably cost much more than the immediate savings provided to PEBP.

Thank you for your time and consideration.

From: lynette_alba [REDACTED]
Sent: Monday, November 23, 2020 8:45 AM
To: Wendi Lunz <wlunz@peb.nv.gov>
Subject: PEBP possible reduction

To those concerned,

I have been working for the state for 5 years now. I understand our states financial difficulties. However, I am told to work for less, work harder and in January looking at furlough. Now benefits being reduced. Our insurance premiums were just raised with less coverage and higher co pays.. I was told we are essential but treated as dispensible. They need to find a better solution than taking, again from employees.

Lynette Alba DWSS

While the UNLV Administrative Faculty Committee and Classified Staff Council understand the desire to keep premiums stable, the proposed changes in benefit structures are draconian and cruel. We cannot express our opposition to the proposed changes in benefits any more definitively. Many of us experienced our benefits being cut during the recession of 2012 and we are painfully aware that once benefits are cut, they are never restored. We have no reason to believe this proposed cut would be any different. We are frustrated and we are mad that you seem indifferent that these proposed cuts will destroy the health and well-being of the employees of one of the state's largest employers.

With the proposed plan design, an individual on the CDHP will pay \$2,600 more for their healthcare until they reach the out-of-pocket maximum. We are already facing a 4.6% furlough reduction in pay for January to June; and we expect possible furloughs in the next biennium. The proposed cuts to our health plan, in addition to the already approved pay cut, will amount to more than a 12% pay cut to an employee's take home pay.

In addition to the increase in out of pocket cost, the reduction in the value of the plan received is also proposed to go down. The proposal that PEBP would move from having "Gold" and "Platinum" plans to three vastly inferior plans is disheartening and demoralizing. Reducing benefits in this way in the middle of a pandemic is abhorrent, you should be adding to our health benefits, not taking them away.

Rather than reducing plan benefits, we argue that plans should be kept whole and that a COVID-19 surcharge in the amount of necessary added premium dollars be applied, with the clear understanding that the surcharge resets when the economy has returned to its pre-pandemic levels. We are asking that this Board provide the Governor with multiple plans that keep our benefits in place, that create a stable revenue source, and stop balancing the state budget at the expense of state employees. Additionally, we request that the Board delay your consideration and vote until your January meeting, when budget savings amounts can be clearer, and after the December 3rd report of the Economic Forum further clarifies state revenues. To be quite frank, we are asking the Board to consider any other options that do not include reducing plan benefits and increasing out of pocket maximums.

The administrative and classified staff at our NSHE Universities cannot and should not shoulder the burden of our state's economic crisis. Our populations will not weather this storm and will not bounce back. This will cripple our population and thus continue to decimate the economy of the State of Nevada. We implore you to do the right thing, do not put balancing the budget on the backs of the most underpaid populations at our Universities. Thank you for your time and consideration.

From: Harris, Aaron [REDACTED]
Sent: Monday, November 23, 2020 9:51 AM
To: Wendi Lunz <wlunz@peb.nv.gov>
Subject: Killing the Family

To Whom it May Concern:

As a husband and father of four with a working spouse (Speech Therapist), I am very frustrated by the proposals put forth. You are absolutely killing the family financially. We came here with a 1 year old and have raised our children here in Nevada for the last fifteen years, only to watch as the benefits have slowly eroded. I am wondering if Nevada is the best place to raise a family anymore. I started at CSN in 2016 and the PPO premium has gone up 65.35% in those 4 years alone. If the benefits are not attractive, why would the highly educated not just move? I was offered another higher education job outside the state nearer family members, maybe it is time to start looking again. Nevada already has enough education issues, not properly funding education will only further damage our state down the road.

Thank you for your time,

Aaron Harris, Ph.D.

[REDACTED]

PEBP 11/23/2020 Public Comment, for the record:

Good morning. This is Kent Ervin, E-R-V-I-N, representing the Nevada Faculty Alliance, the independent statewide association of NSHE faculty.

First, thanks to Executive Director Rich for discussions and for providing information about the proposed benefits cuts.

As a state policy, cutting employee benefits to solve a revenue shortfall is short-sighted and wrong. Benefit cuts or premium increases are the most regressive way to tax state employees to fill a budget hole. Coming on top of probably furloughs, likely no COLA, and an increase in the employee retirement contributions, it is unconscionable that PEBP is being asked to make benefit cuts in the midst of the COVID19 public health emergency, when some employees will need healthcare the most. We join our public employee partners in opposing these cuts and hope that the Governor and Legislature will agree that PEBP is the wrong place to cut.

That said, we realize that PEBP has no choice about responding to the Governor's request for 12% budget "reserves". We ask that in doing so, you limit the long-term damage to the PEBP program in solving a short-term budget problem.

The large increases in the deductibles and out-of-pocket maximums in section 8.1 are unacceptable. Large out-of-pocket maximums turn the plan into catastrophic-only plans and hurt the members most who are supposed to be helped by insurance—those with large medical expenses. These need to be reduced close to the existing CDHP and HMO/EPO plans, with the new low-deductible plan placed in the middle. Instead of \$20M of the \$35M in savings from these plan benefit reductions, it should be limited to \$10M-\$12M. At a minimum, a reasonably priced middle plan should be in the middle to high-gold range in actuarial value.

Proposal 8.7 to eliminate long-term disability coverage is unacceptable. Without social security, state employees who become disabled need a safety net. Nevada has chosen not to participate in social security.

Proposal 8.8 to eliminate reimbursement of Medicare B premiums is unacceptable. PEBP saves money in claims by requiring Medicare B for eligible employees and should pay for it.

Proposal 8.9 to eliminate subsidies for dependents of retirees is unacceptable. Families of already-retired employees depend on this.

Proposal 8.12 to push non-Medicare retirees to the ACA and Silver State Exchange is completely unacceptable. After the legislature finally fixed the "orphan" problem in 2017, this would create a whole new, larger set of neglected children. We don't even know if ACA will survive the Supreme Court case.

These proposals (8.7, 8.8, 8.9, 8.12) all target the most vulnerable populations and carve them out of PEBP. That is unacceptable.

That leaves the other bad but less-bad proposals. We fear it will be necessary to impose a "temporary COVID19 emergency surcharge" to premiums (8.11) to cover a third or of the mandated reductions. These should have a definite sunset and a trigger to be removed when the economy comes back.

Thank you for your hard work making these difficult decisions.

From: Gannon, Linda [REDACTED]
Sent: Monday, November 23, 2020 10:12 AM
To: Wendi Lutz <wlunz@peb.nv.gov>
Subject: please survey PEBP employees about cuts

PEBP Board,

We are a household with two state employees who are nearing retirement. I understand that cuts must be made, but I urge the board to at least survey PEBP members before enacting any of the proposed cuts, many of which would be financially devastating to current participants and retirees. I would also hope to see some sort of temporary COVID surcharge option that could sunset as budgetary conditions improve. For example, we would be willing to forgo a year of HSA contributions if that meant we could maintain the other levels of coverage.

Thank you for your time and service.

Linda Streb Gannon
Professor, CSN

Good morning, my name is Alejandra Livingston, I am an economist, have been working for the State for 24 years, I am a member of AFSCME Local 4041. I have three serious chronic health conditions and there is no cure for them. I visit doctors anywhere between 1 and 5 times per week, have two college age children on my health insurance who have medical conditions that require on going medical care and prescriptions. I was closed to going on disability twice in my years with the state, but having access to health care prevented it.

I received the full list of proposals shortly before the meeting and will express my views on just a few items in general. I understand the situation state agencies are in. Nevertheless, I am in opposition of all of the prosed reductions in benefits and increases in costs for active and retiree members without further input from state employees before the Legislature. None of my co-workers even knew about these cuts until I informed them.

Twenty-four years ago, benefits for employees were free of premiums. However, there hasn't been a proportional improvement in access and quality of health care. Prescription costs continue to increase and narrowing the number of pharmacy options gives too much monopolistic power to Walmart. When Walmart cannot fill a prescription for me, I have to buy from CVS. There are times when I cannot work if I cannot fill my prescriptions.

Obama Care is at risk of being dismantled, we are in a pandemic, and the last thing that we should be doing is to threaten the ability of public sector employees' access to health care, including dental care, prescription drugs, life insurance, disability, and taking away subsidies for our children's health care when we retire.

Cutting various types of subsidies to retirees is unconscionable. Most of us will not qualify for Medicare from our spouses, which offers some free plans, will lose the social security that we put into before state employment, and will be affected by the Windfall Elimination Law.

The reason people work for the State for so many years has always been the security of a job and benefits. Many of us invested our lives in public service and made life decisions based on the retirement benefits for us and our dependents and worked under not the best working conditions. We will have to choose to go to ER or risk our lives if we haven't met the deductible and cannot pay the additional \$750 or to buy dental insurance and having to forgo preventive dental care or treat deceases of the mouth.

The economy cycles and we will have future recessions, and it has become a habit for the state to pass more and more of the cost to us, cut our pay, increase the cost of retirement, and so forth. Nevada legalized divorce, gaming, prostitution, and Marihuana and these don't raise sufficient revenue reserves to hedge against recessions. The emphasis needs to be on our tax structure and the industries that we bring in to our state instead.

Please, do not take these measures for existing active and retiree members. Let's wait and see what health care options are brought forwards by the next presidential administration before threatening to put retirees on the exchange and removing subsidies from our children. Yesterday, the governor mentioned that closing schools has had a terrible effect on the mental health of children. But so it has for college students who have to stay in their rooms taking

college courses on Zoom. Science courses on Zoom are difficult and that age group doesn't get the daily support of a parent who can on and off assist with homework. Young adults are also at risk of suicide not just eight year olds. I am retiring in less than two years, and my youngest child who just started college is at risk of losing the subsidy that he would get through my state insurance. Do you think this added stress will not affect him?

Our children cannot afford their own health insurance and will not be able to afford a house in Nevada either. But a year and a half ago we were promised a healthy Nevada with strong focus on family and children. But what is in it for our children if we bring in all these cuts and rising costs? How can we afford to provide for our families?

Retirees from other states are moving to Nevada and can afford the cost of housing and get free or nearly free Medicare in Nevada. So they will be better off than those of us who invested so much for so long in this state, and our children will not be able to afford health care or housing.



Nevada Retiree Chapter 4041, AFSCME



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www.afscmenvretirees.org

November 23, 2020

To the PEBP Board in regards to today's meeting and "Agenda Item #8":

It was announced several weeks ago by our Governor through his finance office ("GFO") that all state agencies including PEBP would be required to slash budgets in anticipation of a coming budget crisis precipitated by a deep decline in state revenue cause by the public health crisis of the localized effects of the global Covid-19 pandemic. It is our (the Retiree Chapter of Local 4041 AFSCME) understanding that this Board will be asked today to review cuts to benefits and increases in costs to the PEBP members-both active employees and retirees-that are outlined in eleven "subcategories" under the agenda item 8, and then prioritize them so that PEBP staff can submit a revised budget to the GFO "as soon as possible".

Our objections to this process, these cuts and the underlying basic public personnel fiscal philosophy (that these proposals are built on), are many. First and foremost, whenever there is a fiscal crisis in Nevada state government, **the default is immediately to look to cuts in benefits to both active employee and retiree state provided healthcare insurance in combination with reductions in pay for active employees through furloughs, pay freezes and the like.** As we are sure you will hear from active employees today, this is a dysfunctional way to govern while maintaining a robust workforce through recruitment and retention. **The state workforce in general has not recovered from the cuts in benefits and pay imposed over a decade ago in the 2009 session and beyond.**

With regards to Agenda Item #8, it is important to note, that the advocacy groups have met with PEBP's executive director Ms. Rich (we applaud Ms. Rich and her excellent staff for her proactive approach in always bringing all stakeholders to the table to facilitate open discussions) and there seems to be consensus that **the proposals in subcategory 8.2, 8.3 and 8.4 are not in issue. The AFSCME retirees oppose the cuts/changes as set out in 8.5, 8.6, 8.7, 8.8 and 8.9 as well as 8.12.**

Sub categories 8.10 (unbundling dental premiums) and 8.11 (premium costs) are still being discussed in our understanding.

Finally-the changes as explained to the basic plan designs in Table 8.1 are **applicable to both active employees and Non-Medicare Retirees. It is crucially important to note that Non-Medicare retirees are grouped differently.** The "pre-Medicare retirees" are those that are eligible for Medicare when they become 65. **The "non-Medicare" retirees involve several groups as Nevada as the Employer was not paying into Medicare for several years after it was first created in 1965. Globally, those retirees have been defaulted in the past to one of the PEBP offerings as some will**

never be eligible for either Medicare Part A and B and some only eligible for Part B. (see Agenda item 8.8 and 8.9) We have asked PEBP Staff for clarification on the numbers of each of these categories.

One member of the AFSCME retirees' comments:

“First, what was the point of making a career out of public service? I never expected to get rich enough to provide my own benefits during active or retirement years. I accepted the pay and my understanding of my retirement years when I chose this path back in 1972 and now it seems my former employer is asking why I'm not dead yet?”

Second, as benefits are taken away or reduced, how many employees and retirees simply won't seek services they may need because they can't afford it like dental or prescription drugs?”

Retirees who planned their entire careers and lives in Nevada's public service deserve better than these proposals.

The proposal in **8.12** is beyond the scope of the time limits for public comment. There are many aspects of this proposal that are highly uncertain. The Economic Forum has not yet met for the final time this year and will not until December 3, 2020. The future of the Affordable Care Act is unknown and thus the fate of the Silver State Exchange is unknown as well, as the federal case challenging its existence was just argued and submitted to the US Supreme Court on November 10, 2020. In these circumstances and climate of both a public health and fiscal crisis haste is not the friend of sound policy. These challenges will need the full attention to details from both Nevada's Executive and Legislative branch.

From: Sonja Whitten

Sent: Friday, November 20, 2020 12:29 PM

Subject: PEBP Meeting

Due to my work schedule I am unable to attend the meeting in person. Please read this on my behalf.

Hello Members of PEBP Board,

My name is Sonja Whitten, for 17 years I have been a proud State of Nevada employee. I also proudly serve as the Vice President for AFSCME Local 4041.

I am writing the PEBP Board today to voice my concerns about the decisions this board may take regarding the health insurance of all State of Nevada employees. I object to the proposed arbitrary increases to our health insurance plans while at the same time drastically reducing the services offered/covered by the HMO and/or PPO. This is very similar to the actions taken by the PEBP board during the last economic downturn Nevada experienced during the Great Recession.

State of Nevada employees deserve to have a say and more control over their health insurance options. When I accepted the offer of employment with the State, it was with the knowledge I would have access to affordable health insurance. The proposed changes will make my health care cost unaffordable. During a pandemic it is outrageous to gouge State of Nevada employees with this outrageous increase to our health care costs while at the same time reducing the services covered. These proposed changes are unacceptable and I urge you all to find ways to improve the services PEBP is responsible for providing to all State of Nevada employees.

Sincerely,
Sonja Whitten
Vice President
AFSCME Local 4041